



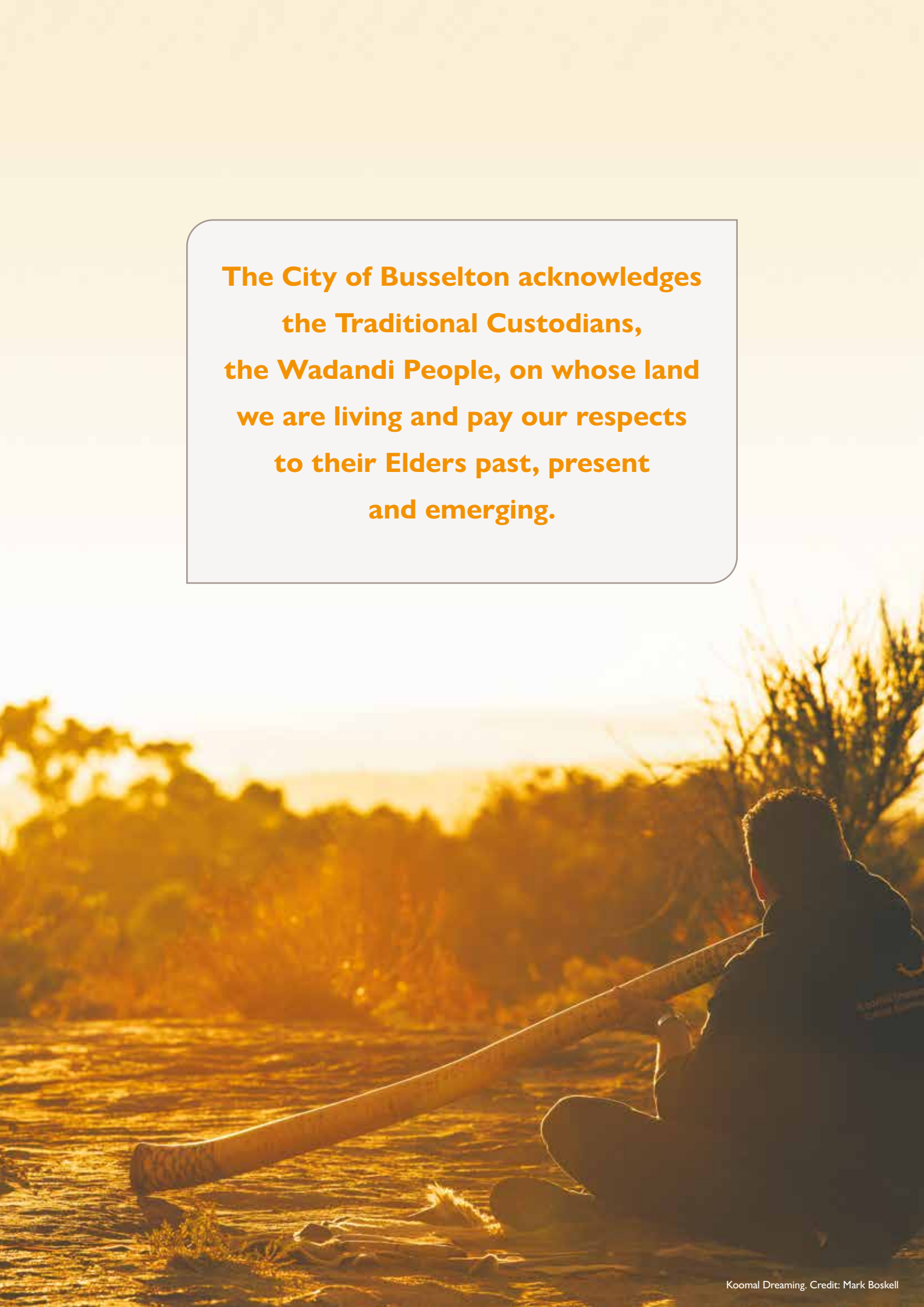
2020-2021

# Annual Report

*Where environment, lifestyle  
and opportunity meet!*



**The City of Busselton acknowledges  
the Traditional Custodians,  
the Wadandi People, on whose land  
we are living and pay our respects  
to their Elders past, present  
and emerging.**



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Grevilla. Credit: Graham Hay

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Front Cover Image:

Whale Watching at Meelup. Credit: Ana Marsic

## Message from the Mayor

### It is my pleasure to present the 2020-2021 Annual Report.

Throughout the year, Councillors and City of Busselton staff maintained their focus on delivering high quality services and achieving the best outcomes for the future of our growing community. The City continues to be rated highly as a great place to live, as reflected in the results of our most recent Community Satisfaction Survey.

In February of this year, the City celebrated 150 years as a local government. We have changed much as a community over these years and have progressed to become one of the most desirable places to live and to visit. We are now a community of more than 40,000 people, with a diversity of interests, needs and views. Recognising this, the Council this year adopted its first Community Engagement Framework. Setting out the City's broad approach to community and stakeholder engagement, the framework seeks to encourage the different views in our community to facilitate quality and meaningful engagement.

As part of being a diverse and inclusive community, we have continued important work in relation to reconciliation, holding a number of events aimed at working more collaboratively with the Traditional Custodians of this land.

Restrictions on international and interstate travel due to the COVID-19 pandemic continued through the year, and the much anticipated launch of Jetstar flights between the Busselton Margaret

River Airport and Melbourne was unfortunately postponed. By contrast, the housing stimulus packages offered by the State and Federal government prompted a high level of building and construction activity in the district, which in turn supported many of our local trades, services and retailers, and contributed to significant workload demands in our development services area.

As always the City continued to monitor expenditure and performance to ensure our funds were spent wisely.

I acknowledge and thank the efforts of all City of Busselton employees over the course of the year.

I also acknowledge and thank the City's Executive and my fellow Councillors for their dedication to their roles and the pride they have in the City of Busselton.



Grant Henley  
Mayor



## Message from the Chief Executive Officer

### Major capital works undertaken by the City provided important public infrastructure and amenities during the financial year.

The duplication of Causeway Road between Rosemary Drive and Molloy Street was completed in December to improve traffic flow in and out of the Busselton city centre. The City also continued to progress its program of upgrading and widening narrow rural roads. \$13M was spent on road construction, upgrades and maintenance.

Work began on developing a new sporting precinct for the Dunsborough community, offering multi-use playing fields for a wide range of sports, and courts that will cater for netball and basketball. Smart technologies were also installed in the City's parks and gardens to reduce water and power consumption.

Work began on the upgrade of Mitchell Park, which will contribute to revitalising the Busselton City centre. The seawall in West Busselton was upgraded to bolster coastal protection infrastructure, and meetings with key stakeholders were instrumental in developing plans to improve the health of the Lower Vasse River.

In early 2021, the Busselton Margaret River Airport played a strategic role in responding to fires in the Perth hills area and other fire emergencies in the South

West by supporting the Bell214 Helitacs, C130 Large Air Tanker (LAT) aircraft and the B737 LAT which arrived from NSW. The support that the City was able to provide to the State's bushfire emergency effort would not have been possible without the international standard facilities available at our airport and the skill and professionalism of City staff.

I am proud of what we achieved over the course of 2020-2021 and thank Councillors and staff for their commitment and dedication to the City of Busselton.



Mike Archer  
Chief Executive Officer



# Our Vision

## Where environment, lifestyle and opportunity meet!

### Strategic Community Plan 2021-2031

On 9 June 2021, Council endorsed its Strategic Community Plan 2021-2031 following the major review of the City's Strategic Community Plan 2017 (Review 2019).

Prior to adopting the new plan community engagement specialists Catalyse Pty Ltd were commissioned to conduct the City's biennial MARKYT community scorecard survey and assess the level of community satisfaction with City services and facilities.

Between October and early November 2020 the City also sought broader stakeholder input, encouraging feedback from the community about their vision and aspirations for the future of the City. After assessing the feedback obtained across these two stages, the draft SCP was advertised for public consultation between 16 April and 7 May 2021. The review led to a refocus on priorities and a new strategic plan based on four key themes.



#### Environment

An environment that is valued, conserved and enjoyed by current and future generations.



#### Lifestyle

A place that is relaxed, safe, and friendly with services and facilities that support positive lifestyles and wellbeing.



#### Opportunity

A vibrant City with diverse opportunities and a prosperous economy.



#### Leadership

A Council that connects with the community and is accountable in its decision making.

### Strategic Community Plan Review Community Engagement



Community workshops and events



Councillor/resident appointments



Community events and questionnaires



Surveys



Community satisfaction scorecard

# Our community snapshot

Our City is made up of many parts. Within the City's 1,454km<sup>2</sup> area is a diversity of people, environment, heritage and opportunities; attributes that continue to attract residents, visitors and investors to the region.

## Total estimated population



## Population growth

Estimated 2019-2020



## Rates notices

Issued 2020-2021

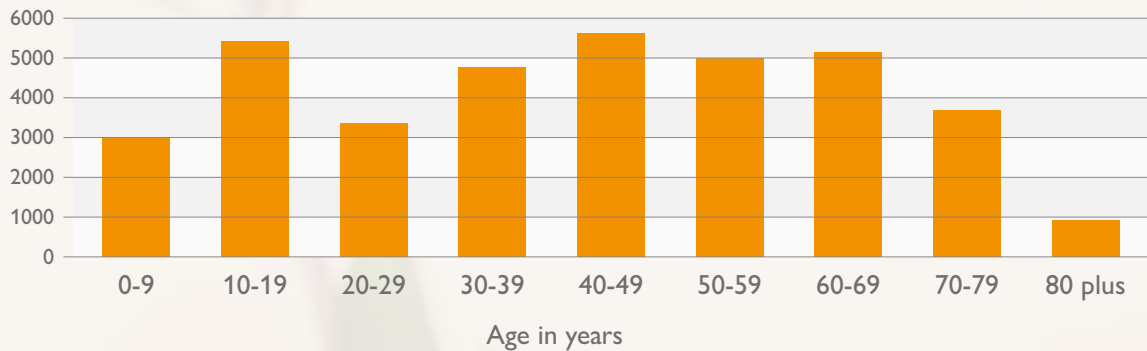


## Electors

Total number



## Estimated Population Age Distribution<sup>1</sup>



## Total businesses



## Top 3 businesses



CONSTRUCTION  
953



AGRICULTURE,  
FORESTRY & FISHING  
442



RETAIL, HIRE  
& REAL ESTATE  
425

## Languages other than English spoken at home

German, Italian, Afrikaans, French, Mandarin, Dutch, Indonesian, Hazaraghi, Tagalog.

<sup>1</sup> Estimated regional population 2019-2020 financial year <https://abs.gov.au/statistics/people/population/regional> sourced 2 September 2021

<sup>2</sup> Local Government Date Summary Report. Western Australian Electoral Commission sourced 1 September 2021

<sup>3</sup> ABS Census 2016 Language spoken at home by sex (LGA) [https://stat.data.abs.gov.au/Index.aspx?DataSetCode=ABS\\_ERP\\_COMP\\_LGA2019](https://stat.data.abs.gov.au/Index.aspx?DataSetCode=ABS_ERP_COMP_LGA2019) 2 September 2021

# Council





## Council governance

The City of Busselton has nine Councillors. The Mayor and Deputy Mayor are elected by the Council following each ordinary Local Government election. Councillors are elected for a term of four years, with half of the terms expiring every two years.

### Council 2020 - 2021



MAYOR  
**Grant Henley**  
Term expiry October 2021



DEPUTY MAYOR  
**Kelly Hick**  
Term expiry October 2021



COUNCILLOR  
**Jo Barrett-Lennard**  
Term expiry October 2021



COUNCILLOR  
**Lyndon Miles**  
Term expiry October 2021



COUNCILLOR  
**Kate Cox**  
Term expiry October 2023



COUNCILLOR  
**Phill Cronin**  
Term expiry October 2023



COUNCILLOR  
**Paul Carter**  
Term expiry October 2023

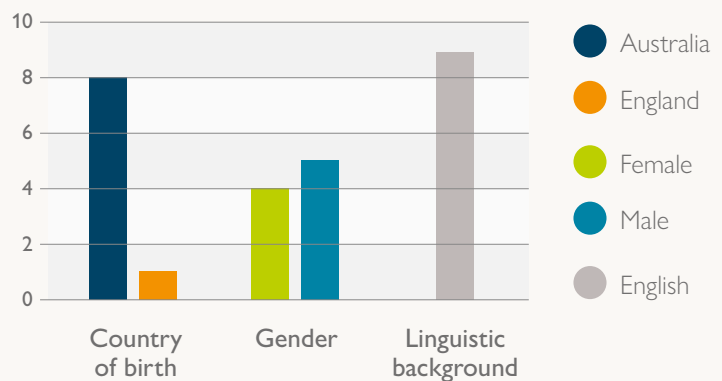
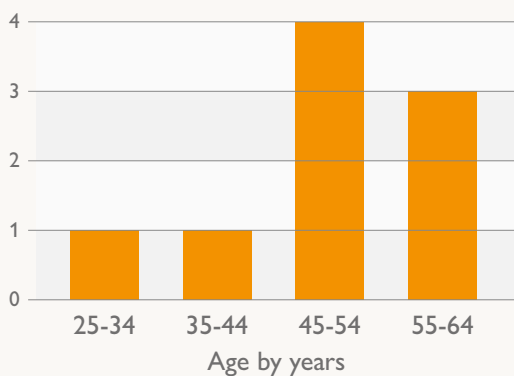


COUNCILLOR  
**Ross Paine**  
Term expiry October 2023



COUNCILLOR  
**Sue Riccelli**  
Term expiry October 2023

### Council diversity



## Council and Committee meeting attendance

### Council Meetings

Councillor Attendance  
July 2020 – June 2021



\* Special Council meetings during the year included:

- Adoption of the Annual Budget 2020-2021 held on 27 July 2020, and
- The Annual General Meeting of Electors held on 8 February 2021.

	Ordinary Council	Special Council*
Cr Grant Henley	21	2
Cr Jo Barret-Lennard	20	2
Cr Kate Cox	21	2
Cr Lyndon Miles	21	2
Cr Paul Carter	20	2
Cr Phill Cronin	19	2
Cr Ross Paine	21	2
Cr Sue Riccelli	20	2

### Committee Meetings

Councillor Attendance July 2020 – June 2021

Committee	No of meetings held	Cr Henley	Cr Hick	Cr Carter	Cr Paine	Cr Miles	Cr Barrett-Lennard	Cr Riccelli	Cr Cronin	Cr Cox
Finance Committee	12	11	1(D)	10	8(D)		11	7	11	
Policy and Legislation Committee	9	8	8		9	8			1(D)	9
Airport Advisory Committee	6		6	6				6	6	
Audit Committee	3	3		3			3		1	
Bush Fire Advisory Committee	3	3			4					
Local Emergency Management Committee	3	3	3							
Meelup Regional Park Committee	1					1	1			
CapeROC	3	2	3							3
<b>TOTAL</b>	<b>40</b>	<b>30</b>	<b>21</b>	<b>19</b>	<b>21</b>	<b>9</b>	<b>15</b>	<b>13</b>	<b>19</b>	<b>12</b>

(D) Deputy Committee Member

### Councillor Remuneration

In accordance with the *Local Government Act 1995* Mayor Grant Henley received a Mayoral allowance of \$80,129, a Mayoral sitting fee of \$41,788 and a communications and IT allowance of \$3,500.

Each Councillor received a Councillor sitting fee of \$29,910 and a communications and IT allowance of \$3,500.

Deputy Mayor Kelly Hick received an additional \$20,032 Deputy Mayoral allowance.

# Organisation



## Executive team

### The Executive team oversees the organisation's Directorates.

Each team member is responsible for providing leadership, managing the operations of their specific Directorate and ensuring that the City's operations are ethical and accountable.



CHIEF EXECUTIVE OFFICE

### Mike Archer

CHIEF EXECUTIVE OFFICER

**Directorate Mission:** To provide leadership to the organisation and implement the strategic direction of Council.



PLANNING AND DEVELOPMENT SERVICES

### Paul Needham

DIRECTOR

**Directorate Mission:** Work together to make our place even better: safe, healthy, green, fair, inviting and thriving.



ENGINEERING AND WORKS SERVICES

### Oliver Darby

DIRECTOR

**Directorate Mission:** Take the community vision from idea to reality through the efficient delivery of services.



FINANCE AND CORPORATE SERVICES

### Tony Nottle

DIRECTOR

**Directorate Mission:** Support the provision of City services and informed decision making through the delivery of professional and responsive advice, services and information.



COMMUNITY AND COMMERCIAL SERVICES

### Naomi Searle

DIRECTOR

**Directorate Mission:** To inspire a community and support an economy where opportunities thrive.

## Our service structure

DIRECTORATE	BUSINESS UNIT		ACTIVITY UNIT			
<b>Chief Executive Officer</b>	Executive Services	Executive Support				
<b>Community and Commercial Services</b>	Commercial Services	Busselton Margaret River Airport	Busselton Jetty Tourist Park	Economic & Business Development	Busselton Jetty	
	Community Development & Recreational Services	Community Development	Leisure Centres	Venue Support	Youth Development	
	Events and Cultural Services	Art Geo Cultural Complex	Cultural Development	Events	Library Services	
<b>Engineering and Works Services</b>	Engineering & Technical Services	Asset Management	Design & Survey	Coastal Management	Development Control	Landscape Architecture
	Major Projects & Facility Services	Facilities	Major Projects			
	Operations Services	Construction & Maintenance	Parks & Gardens	Environmental Services		
	Waste & Fleet Services	Fleet Management	Waste Management			
<b>Finance and Corporate Services</b>	Governance & Corporate Services	Governance	Human Resources & Risk	Public Relations & Community Engagement	Strategic Projects	
	Legal & Property Services	Land & Property Leasing	Legal Services			
	Finance Services	Finance	Rates			
	Information Services	Customer Services	Information Technology	Records	Venue Support Services	
<b>Planning and Development Services</b>	Development Services	Building Services	Statutory Planning	Strategic Planning		
	Regulatory Services	Compliance Services	Environmental Health	Ranger & Emergency Services		

## Our workforce

### Workplace Diversity



People with disability

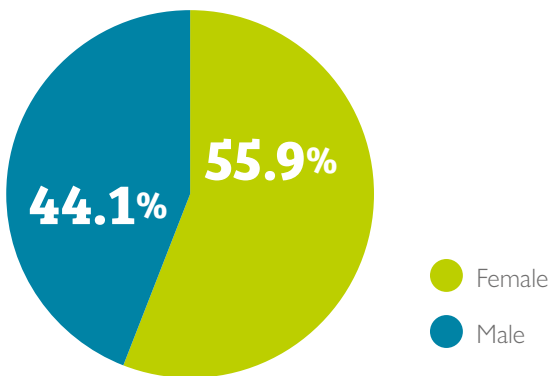


Aboriginal and Torres Strait Islander people

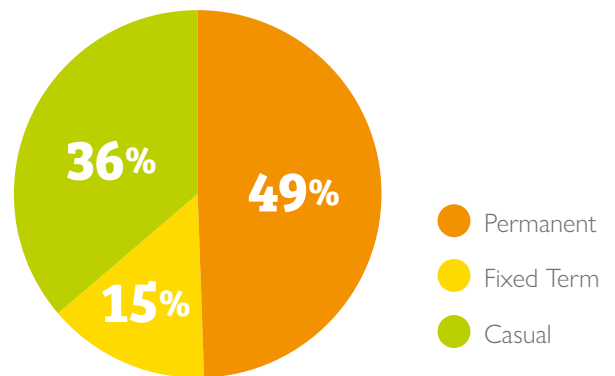


Culturally and linguistically diverse people

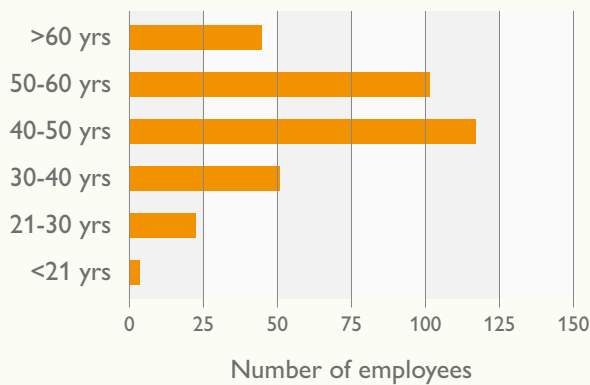
### Workforce Gender



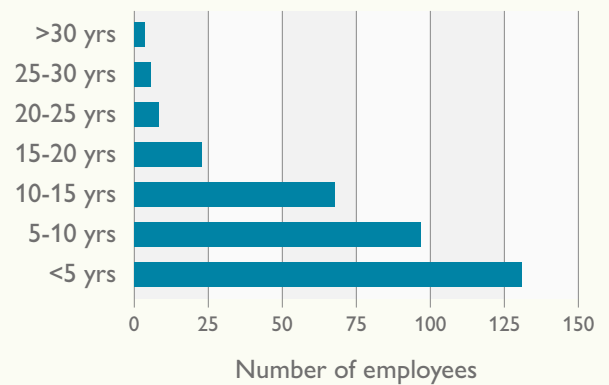
### Employment Type



### Employee Age Profile



### Employee Length of Service



# Achievements



## How to read this report

This annual report documents the progress and achievements of projects and actions programmed for 2020-2021. Each project and action report for the 2020-2021 year aligns with the Strategic Community Plan 2017 (Review 2019) which was current when the City's 2020-2021 priority actions were determined.

Key Goal Area **1**



**Community**  
Welcoming, friendly, healthy

- 1.1 A friendly and safe community with a strong community spirit.
- 1.2 A community with access to life-long health and education opportunities.
- 1.3 A community with access to a range of cultural and art, social and recreational facilities and experiences.
- 1.4 Work with key partners to provide a range of community services and programs that support people of all ages and backgrounds.

Key Goal Area **2**



**Places and Spaces**  
Vibrant, attractive, affordable

- 2.1 Planning strategies that foster the development of neighbourhoods that meet our needs as we grow.
- 2.2 Attractive parks and open spaces that create opportunities for people to come together, socialise and enjoy a range of activities.
- 2.3 Creative urban design that produces vibrant, mixed-use town centres and public spaces.

Key Goal Area **3**



**Environment**  
Valued, conserved, enjoyed

- 3.1 Development is managed sustainably and our environment valued.
- 3.2 Natural areas and habitats are cared for and enhanced for the enjoyment of current and future generations.
- 3.3 The health and attractiveness of our waterways and wetlands is improved to enhance community amenity.
- 3.4 Climate change risks and impacts are understood, acknowledged and responded to through appropriate planning and community education.

Key Goal Area **4**



**Economy**  
Diverse, resilient, prosperous

- 4.1 An innovative and diversified economy that provides a variety of business and employment opportunities as well as consumer choice.
- 4.2 A community where local business is supported.
- 4.3 Events and unique tourism experiences that aid in attracting visitors and investment.

Key Goal Area **5**



**Transport**  
Smart, connective, accessible

- 5.1 Public transport services that meet the needs of the community.
- 5.2 Road networks that provide for a growing population and the safe movement of all users through the District.
- 5.3 Pathways and cycleways that connect our communities and provide alternative transport choices.

Key Goal Area **6**



**Leadership**  
Visionary, collaborative, accountable

- 6.1 Governance systems, process and practices are responsible, ethical and transparent.
- 6.2 Council engages broadly and proactively with the community.
- 6.3 Accountable leadership that is supported by a skilled and professional workforce.
- 6.4 Assets are well maintained and responsibly managed.

Progress is identified as either



Completed



On track



Experiencing delays

Progress is aligned to a particular key goal area and community objective of the City's Strategic Community Plan and to the service area primarily responsible for ensuring the action is delivered.



## Highlights: Awards

### Parks and Leisure WA Awards

#### Strategic Planning

The City was awarded the WA 2021 Parks and Leisure Award for its Sports and Recreational Facilities Strategy which guides the planning and prioritisation of community sport and recreational facilities across the City through comprehensive engagement with the community. The City was also a finalist in the National Parks and Leisure Strategic Planning Awards. These awards recognise and showcase the excellent work, initiatives and innovative efforts of parks and leisure professionals who deliver enormous benefit to the community.

#### Best Regional/Rural Industry Contribution

In October 2020 the City of Busselton received a national award for its innovative events strategy. The award is open to

regional and rural towns and cities that demonstrate a significant contribution to the parks and leisure industry. The City's nomination focused on its successful Events Capital WA strategy, highlighting the broad social and economic benefits it brings to our region.

### Top Tourism Town

Busselton claimed the gold medal in the 2021 GWN7 Top Tourism Town Award category at the Perth Airport WA Regional Tourism Conference. Busselton as a destination was recognised as a restful and easily accessible escape from urban life.

### Boosting Productivity Through Infrastructure

The Busselton Margaret River Airport Redevelopment Project won the WA 2020 Boosting Productivity Through Infrastructure Award and was runner up

in the overall national awards. The awards celebrate the best of local government achievements. This award category shines a light on infrastructure which boosts productivity, strengthens and diversifies the economic base, supports population growth and connects cities and regions.

### WA Bicycle Network Award: Regional Bike Network

The completed Cloisters Shared Path received a Highly Commended Award for path activation. The award recognises local governments who have delivered outstanding bike infrastructure projects, have engaged the community and encourage them to ride more. Completion of the Cloisters Shared Path was celebrated by a school event held with 70 students and circulating a map of the path route to families. The path experience will be enhanced with landscaping in partnership with the Water Corporation.



## Highlights: Progress of priorities

### Sport and Recreational Facilities Strategy Implementation

Extensive community engagement was undertaken to assist with the development of master plan for a future sports talent hub at Sir Stewart Bovell Sports Park. The City also partnered with the Busselton Squash Club and Busselton Golf Club to complete a masterplan and prepare for the upgrade and extension to the existing squash courts. A partnering agreement with the Dunsborough and Districts Country Club (DDCC) has contributed to the development of a masterplan for the site DDCC site.



### Non potable water supply Dunsborough

Access to ground water from the Sue Coal Measures Aquifer and a \$1M funding injection from the Federal government enabled progress toward a new non-potable water network being advanced to provide water to the Dunsborough Lakes playing fields. Bores at Mewett Road were completed in late January 2021.



### Busselton Traffic Improvements

The new City Centre Eastern Link bridge over the Lower Vasse River was officially opened on 3 July 2020 improving traffic efficiency and reducing congestion to the town centre. Additional works extending the duplication of Causeway Road between Rosemary Drive and Molloy Street and the installation of a roundabout at the intersection of Causeway Road and Strelly Street were completed in December 2020.



### Busselton Performing Arts and Convention Centre

Tenders were called for an indoor performance and convention venue capable of hosting large events. Tender estimations for construction costs exceeded the available budget prompting a review of the centre's design and further community consultation.



Busselton Foreshore. Credit: Stephen Norman

### Busselton Foreshore

The old Busselton tennis courts on the corner of Queen Street and Marine Terrace have been converted into public open space, complete with open parkland, public walkways, landscaping and street furniture. An additional 176 car parking bays were established and additional exercise equipment installed. In November, the SHELTER microbrewery and family restaurant was officially opened.



BMRA. Credit: In Sight Photography

### Busselton Margaret River Airport

Charter flights grew throughout the year with the airport servicing 15 return services per week and 40,469 passenger movements.



Fringe Festival. Credit: Wendy Mewitt

### Adoption of Community Engagement Framework

In June 2021 Council adopted the City's first community engagement framework. Designed to guide the planning and implementation of engagement initiatives around City projects, strategies and decision making, the framework was developed with community input, through independently facilitated community engagement sessions.



### Lower Vasse River

The City progressed plans to commence the removal of sediment from the Lower Vasse River and improve water quality by reducing nutrient rich sediments that contribute to the cycle of summertime algal blooms.

Funding was sought with the aim of stage one works commencing in January 2022. The City, through the Lower Vasse River Management Advisory Group continues to work with key stakeholders and the community to develop and implement strategies to improve water quality and ecological health of the Lower Vasse River.

## Highlights: Community Engagement

The City's Your Say site enables the community to contribute views and ideas about various projects, documents and proposals being considered by the City. During the year, community feedback was invited on a range of matters. Outside of advertised development applications, some of the key consultation projects included -

### Bushfire Notice Survey

Potential changes to the Bushfire Notice. As a result of the consultation, any change was deferred.

### Busselton Performing Arts and Convention Centre (BPACC)

Naming choices for the BPACC.

### Coastal Parkland, Foreshores and Reserves Usage

Community survey to inform how the community uses coastal parklands, foreshores and reserves, and how they are valued, to inform the review of existing coastal reserve management plans and guide the future management of these areas.

### Community Engagement Framework

Community input sought to guide the development of a community engagement framework.

### Draft Coastal Hazard Risk Management and Adaptation Plan

Identifying areas and assets that could be potentially impacted by coastal erosion and inundation hazards over the next 100 years, and draft recommendations about how to respond to those challenges.

### Draft Leeuwin Naturaliste Regional Trails Strategy

The draft strategy to guide future strategic investment in trails recreation, tourism and event development across the Leeuwin Naturaliste Region.

### Dunsborough Town Centre Upgrade – Naturaliste Terrace

Six concept designs for upgrading Naturaliste Terrace between the roundabout on Dunn Bay Road/ Naturaliste Terrace and Cyrillean Way, including the installation of compliant accessible parking bays and a pedestrian road refuge.



Vasse River Pathway. Credit: In Sight Photography



Hannay Lane. Credit: Sara Storm

### **Hannay Lane Revitalisation - Dunsborough**

Testing innovative ways to use Hannay Lane as a shared public space.

### **Library Collections Survey**

Assessment of the use and demand for the range of resources available at the Busselton and Dunsborough libraries, including favourite genres, formats and services.

### **Living Stream Project for the Lower Vasse River**

Project objectives and potential works to create conditions that are less favourable to blue-green algal blooms in the Lower Vasse River.

### **Local Law Reviews**

Review of the *Local Government Property Local Law 2010* (as amended), *Airport Local Law 2012* (as amended) *Holiday Homes Local Law 2012* (as amended) and *Cat Local Law 2014*.

### **Mitchell Park Revitalisation**

Concept plans for revamping Mitchell Park into an enjoyable and vital public space in the heart of the Busselton CBD.

### **Mosquito Awareness**

Assessment of public awareness strategies to protect against mosquito bites.

### **Cultural Interpretation Framework**

Seeking feedback on what the City's cultural precinct means to the community and how a performing arts and convention centre can integrate with other elements of the precinct.

### **Motorist and Cyclist Survey – Sharing Rural Roads**

Increasing motorist and cyclist's awareness of each other and practice mutual respect when sharing the road.

### **Proposed Local Planning Scheme 21 Amendments 40, 48 and 50**

- Amendment 40: Review of land use that may be permitted within the Scheme to reflect the direction of the Local Planning Strategy.
- Amendment 48: Rezoning a portion of Lot 1 Causeway Road Busselton.
- Amendment 50: Proposals to modify residential density coding from R80 to R60 over Lot 81 and Lots 115 to 127 Geographe Bay Road, Dunsborough.

### **Speed Limit Review**

Investigating reduced speed limits between Bussell Highway and Southern Drive, Rosemary Drive roundabout to Rotary Park and the entire length of Strelly Street.

### **Vasse Community Wayfinding Signage**

Evaluating the effectiveness of a pilot program of signage types showing distances to historical sites, playgrounds, shopping centres etc. in the Vasse community.

### **Your City in 2035 - Strategic Community Plan Review**

Review of the Strategic Community Plan 2017 (Review 2019) including the community's vision for the City and what the community believes is important when planning for the future.



Naturaliste Community Centre. Credit: In Sight Photography



**Key Goal Area 1**  
**Community**  
 Welcoming, friendly, healthy

The City continues to work with community groups and government agencies to develop and deliver programs, services and infrastructure reflective of the community needs. The City's grants program funded programs, services and activities to assist residents, with a focus on aged, youth, disadvantaged, volunteers, sport, recreation and environment. Commitment to the delivery of the City's Reconciliation Action Plan (RAP) continued with the unveiling of an Aboriginal sculpture at Yallingup, and planning was undertaken for the development of Barnard Park East in a partnership project with the Undalup Association and Busselton Dunsborough Environment Centre.

The City's Sport and Recreation Facilities Strategy (SRFS) adopted last year has proven successful with the City securing funding to develop the Dunsborough Lakes playing fields and improve floodlighting to Churchill Park. To help guide future planning and infrastructure delivery, the City worked with various sporting groups to commence the planning process for future projects, and capacity building continued with a number of individual sport and recreation groups. The SRFS was recognised by Parks and Leisure Australia WA, progressing through as a finalist for the 2021 National Awards of Excellence Strategic Planning Award.

Planning for the Busselton Performing Arts and Convention Centre (BPACC) continued through extensive stakeholder engagement and community consultation. The development of the BPACC is seen as an investment in the arts and cultural sector that has traditionally experienced limited funding.

**\$285,294**

Community grants and donations

**156,497**

Library visits

**1,035**










Water quality inspections (beach, swimming pools and drinking water)

**2,931**

Firebreak inspections









**\$64,128**

Aged housing improvements

Primary Service Area	Primary Objective Link	Project / Action	Status	Achievements
<b>Cultural Services</b>	1.1	<b>Reconciliation Action Plan (RAP)</b> Implement the City's REFLECT RAP in partnership with the District's local Aboriginal community.		<i>In response to the South West Native Title Settlement, suitable unallocated crown land has been identified to enable Noongar people to practice customary activities. A partnership is progressing with the Undalup Association and Busselton Dunsborough Environment Centre to rename Barnard Park East and investigations are underway for an Acknowledgement of Country to be included on plaques on public facilities. The bronze Aboriginal sculpture, Korriane Gwirru, was unveiled at Yallingup.</i>
	1.2	<b>Busselton Library Upgrade</b> Upgrade the children's section and back of house facilities at the Busselton Library.		<i>Building renovations were completed and furniture for the new children's area installed.</i>
	1.3	<b>Busselton Performing Arts and Convention Centre (BPACC)– Operational Planning</b> Develop a comprehensive operation plan for the management of the BPACC.		<i>The draft Business Operations Plan and financial forecasts were revised to support State funding applications. A Building Better Regions Funding Application was submitted in March 2021 and draft fees benchmarked and reviewed. The plan will be reviewed again once the outcomes of a community survey are known and a direction endorsed by Council.</i>
	1.3	<b>Naturaliste Community Centre (NCC)</b> Further develop the master plan to detail opportunities at the Dunsborough playing fields and NCC.		<i>Plans for the Dunsborough library, playground and youth precinct, together with a possible community resource and administration centre, will be included in a masterplan for the NCC and adjacent playing fields.</i>
	1.3	<b>New Squash Court Facility</b> Partner with the Busselton Squash Club and Busselton Golf Club (BGC) to investigate the opportunity for rebuilding the squash courts at the BGC.		<i>The BGC committee endorsed the decision to lead a masterplan of the golf club site, with a view to upgrading and extending the existing squash court facilities.</i>
	1.3	<b>Sir Stewart Bovell Sport Park</b> Complete a masterplan to detail the opportunities to develop a future sports talent hub.		<i>A grant application to the Community Sport and Recreation Facilities Fund for master planning was successful. The grant agreement has been signed and stakeholder engagement with various local sporting clubs is underway.</i>
	1.4	<b>Dunsborough and Districts Country Club (DDCC) Expansion</b> Partner with the DDCC to maximise the opportunities at the site		<i>A partnering agreement between the City and the DDCC enabled the City to assist with implementing the DDCC's new five year Strategic Plan. Work also commenced with the club's six sporting disciplines to finalise their sport specific strategic plans.</i>
	<b>Environmental Health</b>	1.2	<b>Public Health Plan</b> Prepare a Public Health Plan that meets the requirements of the <i>Public Health Act 2016</i> and guides the City's overall planning for public health delivery.	
1.2		<b>Mosquito Control</b> Review the City's Mosquito Management Program 2004.		<i>The Mosquito Management Plan was finalised.</i>

 Completed  On track  Experiencing delays

## ACHIEVEMENTS

Primary Service Area	Primary Objective Link	Project / Action	Status	Achievements
<b>Information Services</b>	1.1	<b>CCTV Precinct Extension – Safer Cities</b> Continue to extend CCTV facilities as part of the Safer Cities program.		Additional projects were identified and approved for the 2021-2022 financial year. CCTV was installed at the Geographe Leisure Centre and the Busselton Library. Both connect to the City's centralised system for City facilities.
<b>Major Projects</b>	1.3	<b>Busselton Performing Arts and Convention Centre (BPACC) – Construction</b> Construct a performing arts and convention space in the Busselton Cultural Precinct.		Tenders received for constructing the centre exceeded the City's available budget and a review of the design was undertaken. Public consultation planned for July-August 2021 will help to inform Council's decision about the project's future.
	1.3	<b>Dunsborough Lakes Sporting Precinct – Playing Fields</b> Construct playing fields at the Dunsborough Lakes development.		Construction is well underway. Turf installation is scheduled for the third quarter of 2021.
	1.4	<b>Busselton Senior Citizens Centre (BSCC) Expansion</b> Lead a project to expand and complete the BSCC.		The expansion project was completed on time and on budget.
<b>Operations Services</b>	1.3	<b>Churchill Park Upgrades</b> Progressively upgrade the ovals and facilities at Churchill Park as per the master plan.		Upgrades to the secondary oval at Churchill Park are complete. Works include turf renovation, fencing upgrades, electrical upgrades, revegetation, seating, carpark resurfacing and the control of vehicular access to approved events. Smart metering is currently being implemented. Construction of a temporary sealed carpark was completed early in 2021.
	1.3	<b>Vasse Sporting Precinct – Car park</b> Formalise the car park at the Vasse Sporting Precinct.		Construction of a temporary sealed carpark was completed in early 2021.
<b>Ranger and Emergency Services</b>	1.1	<b>Bushfire Risk Management Plan (BRMP)</b> Complete Part 2 of the BRMP.		Bushfire risk mitigation activity funding of \$500,000 was received from Department of Fire and Emergency Services (DFES) to treat high and extreme risks identified in the BRMP. The development of a three year treatment schedule under Part 2 of the plan is progressing.
	1.1	<b>Fire and Community Facilities Building</b> Construct a new fire shed and community facility on City Reserve Lot 401 Balmoral Drive, Quindalup.		Consultation with DFES progressed regarding a co-located facility for DFES and the City of Busselton bush fire brigade. A funding request to the Local Government Grants Scheme to assist with master planning for the site was unsuccessful. Options to begin a master plan, including access to reserve funds allocated to the project are being explored.

 Completed
  On track
  Experiencing delays





**Key Goal Area 2**

***Places and Spaces***

**Vibrant, attractive, affordable**

**1,283**

Development applications received

**7,310**

Capital project plantings

**93**

Playgrounds

**\$187,701**

Revitalisation grants











**1,739**

Building approvals

With the final adoption of the City's Local Planning Strategy having occurred in March 2020, work on implementing the strategy was a focus of the 2020-2021 financial year. That includes background work to support development of 'Precinct Structure Plans' for both the Busselton City Centre and Dunsborough Town Centre. Given the development pressures being experienced in Dunsborough, the project has been prioritised. The City has also been liaising with the Western Australian Planning Commission regarding their work on the assessment of 'Planning Investigation Areas' at Dunsborough, Abbey and Vasse, which may lead to future urban growth areas in the decades to come. Development activity in the second half of the year was significant, with an approximate 30% increase in the number of development applications processed compared to the previous financial year.

With a focus on improving local amenities and public open spaces, the City successfully agreed with the Western Australian Planning Commission to plan for the use of funds obtained through development contributions to improve 12 public open spaces around the district. This will provide for the upgrade of public open spaces and playgrounds and contribute to our goal of well managed and attractive places and spaces.

## ACHIEVEMENTS

Primary Service Area	Primary Objective Link	Project / Action	Status	Achievements
<b>Community Development</b>	2.2	<b>Dunsborough Playground</b> In consultation with the community, design an interactive adventure based playground in Dunsborough.		Consultation for the location of the playground commenced and will be further developed through a master plan of the Naturaliste Community Centre and adjacent playing fields and foreshore areas.
<b>Engineering Services</b>	2.3	<b>Busselton War Memorial Relocation</b> Relocate the Busselton War Memorial to the Rotary Park precinct.		The memorial concept design was approved in principal by Council and the Returned and Services League. Design development is continuing.
<b>Information Services</b>	2.1	<b>Busselton Cemetery Expansion</b> Continue to progress expansion of the cemetery by completing all necessary statutory processes involved to acquire and use part lot 9009 Neville Hyder Drive, Yalyalup.		A request was sent to the Minister for Local Government, Sport and Cultural Industries in March 2020 to declare by order use of the land as a cemetery. A management order has not yet been received.
<b>Major Projects</b>	2.2	<b>Busselton Foreshore Redevelopment</b> Complete improvements to parking, lighting and landscaping at Barnard Park East and commercial sites.		A request for tender for Barnard East landscaping and carpark works was released to market, however prices received were in excess of the City's budget. Works were revised and reissued for tender in June 2021 with the tender scheduled to close on 6 July 2021.
	2.2	<b>Mitchell Park Upgrade</b> Redevelop Mitchell Park to improve the public amenity of the park and enhance the social vibrancy of the Busselton Town Centre.		The original contractor appointed for this work went into liquidation. A new contractor was appointed and works progressed without undue delay.
<b>Strategic Planning</b>	2.3	<b>Busselton Activity Centre Plan</b> Complete an Activity Centre Plan for the Busselton City Centre.		Renamed the Busselton Precinct Structure Plan, this project will recommence once the Dunsborough Precinct Structure Plan project has reached the point where a draft plan is released for consultation.
	2.3	<b>Dunsborough Activity Centre Plan</b> Complete and Activity Centre Plan for the Dunsborough town centre.		Renamed the Dunsborough Precinct Structure Plan, a draft plan is expected to be prepared early in the new calendar year with significant development workloads having delayed progress during 2020-2021.
	2.1	<b>Developer Contributions Plan (DCP) Review</b> Review the DCP 2008 and replace with a Developer Contributions Framework		The tasks required as a prerequisite to the review are well underway.
	2.1	<b>Local Planning Scheme (LPS) Review</b> Complete the LPS 21 review and prepare a new and replacement scheme.		The Scheme review (new and replacement LPS 22) is continuing although slightly delayed due to other work demands.
	2.1	<b>Dunsborough Non Potable Water Network (DNPWN)</b> Establish production bores with capacity to deliver water to Dunsborough Lakes ovals and recreation spaces.		Following Federal government approval, Stage 1 of the project was extended to 31 March 2022 due predominantly to COVID-19 related delays.

 Completed
  On track
  Experiencing delays



Southern Right whales Geographe Bay. Credit: Francis Andrijich



**Key Goal Area 3**  
**Environment**  
 Valued, conserved, enjoyed

Some major milestones were reached during the year: A significant milestone was the adoption by the Council of a draft Coastal Adaptation Strategy, with consultation on the draft commencing in May 2021. The strategy aims to set out the long term (100 year) direction for management of the City's coast. Another major milestone was the securing of funding during the year to commence stage 1 of sediment removal in the Lower Vasse River. Work on this project is expected to occur during the 2021-2022 summer period.

The City continues to explore innovative approaches to manage environmental impacts including ways to improve waste management and recycling. A Waste Plan for the next five years has been developed and endorsed by Council and the State's Department of Water and Environmental Regulation. A key recommendation of the plan is to determine the viability of introducing a third bin to divert organics from landfill. Other more community focused initiatives include an e-waste collection day, educational visits to schools, and community workshops regarding reusable nappies.

Fire and environmental management plans have been prepared in consultation with community stakeholders for Meelup Regional Park, Ambergate Reserve and Barnard Park East. A Weed Strategy has also been prepared in consultation with community stakeholders and is now being implemented.

**22,216 t**

Commercial and demolition waste recycled

**455**

Mature verge trees planted

**75.9 t**

e-waste diverted from landfill

**29,017**

Seedlings and tube stock planted

**365,000 kWh**

City generated renewable energy

## ACHIEVEMENTS

Primary Service Area	Primary Objective Link	Project / Action	Status	Achievements
<b>Design and Survey</b>	3.3	<b>Vasse River Beautification – Bridge to Bridge</b> Progressively enhance the natural amenity and public enjoyment of the Lower Vasse River foreshore reserve between Peel Terrace and Strelly Street.		A report on the impact of the project on Aboriginal heritage sites was prepared and an application to disturb a heritage site submitted to the Department of Planning Land and Heritage (DPLH). The Undalup Association is preparing a quote to undertake renewal and refurbishment works at the Waljijn Gardens.
<b>Development Services</b>	3.1	<b>Municipal Heritage Inventory Review</b> Undertaken the five yearly Heritage List/ Municipal Heritage Inventory Review.		The project did not start due to workloads generated by development and subdivision applications taking priority.
<b>Engineering and Technical Services</b>	3.4	<b>Coastal Protection</b> Progressively implement coastal protection as outlined in the Coastal Protection Management Plan.		The West Busselton seawall was extended from Craig Street to Seagrott Road and two geosynthetic sand container groynes constructed just east of the Forth Street carpark. Beach surveys involving photo monitoring and oblique aerial surveys were completed.
<b>Environmental Services</b>	3.2	<b>Meelup Regional Park Management Plan</b> Complete the review of the Meelup Regional Park Management Plan following consultation with the community.		The Undalup Association has been engaged to prepare a Cultural/Healthy Country Plan for the park to include in the draft management plan, prior to public consultation.
	3.2	<b>Meelup Former Waste Site</b> Achieve reclassification of the former waste site at Meelup to enable public use by mountain bikers.		The Department of Water and Environmental Regulation (DWER) Contaminated Site Regulation Branch reclassified the site to "Remediated for Restricted Use".
	3.3	<b>Lower Vasse River Management Advisory Group (LVRMAG)</b> Work with the LVRMAG to refine and implement actions to significantly improve the amenity of the Lower Vasse River.		The LVRMAG agreed to prioritise sediment removal, and plans are progressing to implement this action. The LVRMAG also agreed to broaden the Living Stream design project to treat the Lower Vasse River, extending from the Busselton Bypass to the Butter Factory Museum.
<b>Major Projects</b>	3.4	<b>Improving sustainability and energy management</b> Develop a policy and guideline document outlining matters to be considered when procuring, constructing and operating all new City assets to ensure that improved energy management is achieved		An operational practice for energy management of City facilities was endorsed by Council. Drafting of the guidelines has commenced.
	3.4	<b>LED Lighting Upgrades</b> Progressively upgrade street lighting to LED to improve the energy efficiency of City owned lighting infrastructure.		Lighting upgrades were installed at the Busselton library and NCC. \$20k was also spent on minor upgrades and replacements in City buildings.
<b>Operations Services</b>	3.4	<b>Parks and Gardens Technology Improvements</b> Implement smart technologies in City parks, gardens and reserves to reduce water and power use.		An irrigation audit was completed and soil moisture sensors and weather stations installed in Busselton and Vasse to optimise turf maintenance and water efficiency. Small battery powered plant with solar capability was also purchased. The new plant will be charged by newly acquired vehicle mounted solar charging stations.

 Completed
  On track
  Experiencing delays

Primary Service Area	Primary Objective Link	Project / Action	Status	Achievements
<b>Strategic Planning</b>	3.4	<b>Coastal Adaptation Strategy</b> Complete the preparation of the Coastal Adaptation Strategy.	▶	A draft strategy was adopted. A series of public information sessions was launched at shopping centres to explain the draft strategy and invite public submissions. Information was also provided at public meetings held in Dunsborough and Busselton.
	3.2	<b>Western Ringtail Possum (WRP) Habitat Protection</b> Undertake public consultation on the WRP Directions Paper with the objective of protecting the WRP and enhancing WRP habitat.	⏸	Progress of this action is subject to the passage of LPS Amendment 49 and the outcomes of the Bushfire Notice Review (conducted in April and May 2021), which highlighted clear misalignments between bushfire safety and habitat protection and revegetation.
<b>Waste Management</b>	3.1	<b>Future Regional Waste Facility</b> In conjunction with the South West Regional Waste Group of councils continue to investigate the viability of implementing a regional waste management system for the group.	▶	The group delivered a Regional Options Paper and Strategic Recommendations, which include high level economic analysis of waste options. The work of this group is progressing.

✔ Completed
 ▶ On track
 ⏸ Experiencing delays



Busselton Waste Transfer Station



Queen Street. Credit: In Sight Photography



**Key Goal Area 4**

***Economy***

**Diverse, resilient, prosperous**

**\$380,562**

Event sponsorship

**57.66%**  
(up 7%)

Busseton Jetty Tourist Park occupancy

**28**

New events

**\$187,701**

Business revitalisation grants

**9**

Commercial hire permits issued

The City continues to play a pivotal role in facilitating economic growth by partnering with government, industry, business and community groups in the delivery of its Economic Development Strategy. Significant focus over the past few years has centred on the planning and delivery of key strategic infrastructure projects such as the Busseton and Dunsborough foreshores, Busseton Margaret River Airport, and centre business district enhancements. The past 12 months has seen investment outcomes resulting from these projects including the opening of the Shelter Microbrewery and construction of the Hilton Garden Inn commence on the Busseton foreshore, and an increase in passenger throughput and Fly-in-Fly-out charter flights at the airport.

As a precursor to the Economic Development Strategy review, the City commissioned an industry sector analysis identifying existing and emerging opportunities that the region can capitalise on to facilitate industry development and diversification, and attract private investment. Focus has also centred on the activation of the City's town centres through various Town Team projects including a number of urban art works, the planning and consultation for the Mitchell Park upgrade, delivery of the Hannay Lane upgrade, buy-local campaigns and school holiday and Christmas programs.

Primary Service Area	Primary Objective Link	Project / Action	Status	Achievements
Airport Services	4.1	Busselton Margaret River General Aviation (GA) Precinct Promote and secure leasing opportunities for general aviation.		Despite some interest in hangar lot leases in the new GA precinct, no leasing agreements have yet been entered into with interested parties indicating that capital funding for hangar construction was difficult to secure and the 21 year lease was a concern. The lease arrangements are being reviewed in readiness for advertising a new expression of interest.
	4.1	Busselton Margaret River Airport Light Industrial and Commercial Areas Continue to investigate and secure air freight and other enterprise opportunities.		A request for consultants to assist with preparing an expression of interest to attract either developers or potential businesses to lease lots in the industrial and commercial precinct is being prepared for advertising early in the 2021-2022 financial year.
Busselton Jetty	4.3	Australian Underwater Discovery Centre (AUDC) Facilitate in partnership with the Busselton Jetty Inc. (BJI) progression of the AUDC.		Drafting of a variation to the licence agreement with BJI is underway to enable to the construction and operation of the AUDC and village.
Busselton Jetty Tourist Park	4.3	Busselton Jetty Tourist Park (BJTP) Implement the BJTP master plan to guide the management, maintenance and continual upgrade of the Park.		Electrical upgrades and compliance works were undertaken across all three parks.
Economic and Business Development	4.2	Place Project Through the Place Project, implement a series of initiatives to activate the City centres.		Initiatives undertaken include place making workshops and master classes, formation of the Building Busselton Town Team, buy local advertising campaigns and school holiday and Christmas activation programs. The project to activate Hannay Lane in Dunsborough was completed.
	4.1	Dunsborough Foreshore Café Facilitate commercial investment in a café and kiosk development at the Dunsborough foreshore.		Community feedback from meetings held in September 2020 about the café proposal was provided to Department of Planning, Land and Heritage, together with a request to progress the excising of 831sqm for the purposes of recreation and public facilities and a café/ kiosk. The Minister for Lands approved the request and the matter has been tabled in Parliament.
	4.1	Busselton Foreshore Microbrewery Facilitate completion of the microbrewery at the Busselton foreshore.		The microbrewery and family restaurant was officially opened on 11 November 2020.
	4.1	Busselton Foreshore Hotel Site Facilitate the development of hotel site 2 at the Busselton foreshore.		An internal project team met regularly to assist with the contractual obligations. Sublease of the site commenced on 1 January 2021.
	4.2	Smart City of Busselton Implement the Smart City Strategy 2020-2024 by adopting an implementation plan focusing on initiatives that improve the City's digital economy.		The Smart City Strategy was completed and noted by Council as a guide for future planning. The document will be a primary resource for future funding programs.
	4.2	Industry Sector Analysis Work with stakeholders to identify industry development and growth opportunities and to establish a value proposition for investment.		An industry sector analysis report and associated action plan was prepared. The investment opportunity publication will play a key role in attracting potential investors to the City. The opportunities and action plan will assist with the development of a new Economic Development Strategy.
Events Services	4.3	Events Strategy Review the Events Strategy post COVID-19 to ensure it continues to deliver positive returns to the City's community and economy.		A consultant has been appointed to assist with updating the strategy.

 Completed
  On track
  Experiencing delays



Dunn Bay Road, Dunsborough



**Key Goal Area 5**  
**Transport**  
 Smart, connective, accessible

**40,469**  
 (up 51%)

BMRA passenger numbers

**963km**

Sealed roads

**3**

Bike lockers








**276km**

Pathways

The City continued its activities aimed at providing and maintaining infrastructure to enable functional, safe and sustainable transport solutions. This comprises of but is not limited to the ongoing maintenance of surfaced and gravel roads and 276km of footpaths and cycleways. The maintenance of this important infrastructure is achieved through comprehensive asset management and planned maintenance works programs, delivered in accordance with State legislation and industry standards to ensure the safety of all road and footpath users. The City also continued to complete its key road network project, identified as an outcome of the Busselton Traffic Study. The staged roll out of the Busselton Traffic Study is progressing through a review of the study outcomes, with specific reference to the Bussell Highway, West/Albert Street, West/Prince Street and Albert/Queen Street intersections to identify the next key network upgrade.

The operational readiness of the Busselton Margaret River Airport (BMRA) was maintained in anticipation of Regular Passenger Transport (RPT) services to Melbourne commencing, with delays continuing as a result of the COVID-19 pandemic.



Primary Service Area	Primary Objective Link	Project / Action	Status	Achievements
<b>Design and Survey</b>	5.1	<b>Public Transport</b> Continue to work with key stakeholders towards improving public transport services and connections across the District.		Results of the City's 2020 biennial community consultation on public transport availability were shared with Curtin University researchers in March 2021. The results will help to determine usage patterns and gaps within the public transport network, and assist the University's Integrated Electro Mobility Study.
	5.3	<b>Cycleway and Shared Path Networks Improvements</b> Progressively implement the City of Busselton Cycling and Shared Path Network Strategy 2019-2023.		The College Avenue Shared Path was completed. The project received the 2020 WA Bicycle Network Highly Commended Award. Work on the Buanyanup Drain Shared Path project began.
	5.3	<b>Safe Active Street Study</b> Conduct a feasibility study to determine whether a connective cycling boulevard catering for people of all ages can be implemented in the Busselton town centre.		Due to COVID-19 and subsequent limitations on community engagement and other restrictions, critical community consultation could not proceed. This situation resulted in access to State government funding for the project expiring and the study not going ahead.
	5.3	<b>Wadandi Track</b> Continue to progressively develop and enhance the Wadandi Track.		A review of potential risks to the northern section of the project highlighted concerns about the dangers of crossing Bussell Highway (Vasse Bypass) and using the first section of Vasse Yallingup Siding Road due to vehicle speeds and cycle interaction. Sealing the Wadandi Track from Bussell Highway to Cockerill Place addressed these concerns.
<b>Engineering and Technical Services</b>	5.1	<b>Busselton Traffic Improvements</b> Duplicate Causeway Road from Rosemary Drive west to Molloy Street, upgrade the Peel Terrace/Causeway Road roundabout and install a roundabout at Albert Street/Queen Street.		The duplication of Causeway Road from Rosemary Drive to Molloy Street including a new roundabout at the intersection of Causeway Road and Strelly Street was completed. Major utilities were identified and relocated to make way for the next stage involving the duplication of the north bound lane from the Vasse River Bridge through the roundabout at Peel Terrace and Queen Street.
<b>Operations Services</b>	5.2	<b>Road Maintenance Upgrades</b> Implement the roads maintenance program, focusing on narrow country road upgrades.		All scheduled capital upgrade projects were completed with the exception of work at Seascape Rise, which has been carried over into the 2021-2022 capital budget.
<b>Strategic Planning</b>	5.2	<b>Transport Links to Regional Centres</b> Continue to advocate for improved domestic, commercial and charter airline services and road infrastructure links to Western Australia's regional Centre, including a dual carriageway between Busselton and Capel and the Vasse-Dunsborough Link.		Together with Tourism WA, the City worked on a business case for commercial flights to Sydney and Brisbane, in addition to continuing to explore potential international links to south east Asia. The City also liaised with Main Roads WA around alignment definition for the future Vasse-Dunsborough link and a project looking at potential development of 'trackless tram' routes linking Bunbury and Busselton. The State government began works to duplicate the Bussell Hwy between Capel and Busselton.

 Completed  On track  Experiencing delays



Key Goal Area 6

**Leadership**

Visionary, collaborative, accountable

**\$62.836M**

Total cash backed reserves

**\$22,133**

Donations to community events

**15,314**

e-newsletter subscriptions













**19**

Your Say engagements

During 2020-2021 the City adopted its first Community Engagement Framework developed with the help of the community. The framework establishes principles for engaging with the community and stakeholders, and supports a robust, transparent and meaningful approach to engagement.

The City reviewed its Long Term Financial Plan 2021 – 2031 maintaining a strong focus on its financial sustainability. We also commenced a review of processes and procedures to aid in the provision of quality services.

The City once again received an unqualified audit and maintained robust governance procedures. Changes to Council governance resulting from amendments to the *Local Government Act 1995*, saw the City adopt new CEO standards and a new code of conduct for Councillors, committee members and employees. The code outlines the conduct and behavioural requirements for all Council members, committee members and candidates. A separate code of conduct for employees underpinned by the City’s values of Listening, Considered Decision Making, Appreciation, Respect and Team Work, was also endorsed by the CEO.

Primary Service Area	Primary Objective Link	Project / Action	Status	Achievements
<b>Asset Management</b>	6.4	<b>Overall Asset Management Plan</b> Review and update the overall Asset Management Plan with the aim of allocating enough funding to sustainably manage the City's assets.		The review was completed. Recommendations adopted relate to ongoing capital renewal funding for certain assets.
<b>Finance Services</b>	6.1	<b>Fair Value</b> Realign the fair value assessment of the City's assets from a staggered three year cycle to an aligned five year cycle as provided for in the <i>Local Government (Financial Management) Regulations 1996</i> .		The review of the asset categories was completed. The next review for Lands, Building and Infrastructure will be held in 2021-2022 and reoccur every five years.
	6.1	<b>Financial Health Indicators (FHIs)</b> Continue to lobby for changes to the FHIs to ensure they consider cash reserves and adequately reflect a local government's financial standing.		The City was involved in the Western Australian Local Government Association (WALGA) review of the financial ratios and is currently working as part of the WALGA FHI Working Group. The Minister for Local Government acknowledged that the current ratios are not fit for purpose and work is progressing on change.
	6.3	<b>Long Term Financial Plan (LTFP)</b> Review the City's LTFP in light of the reviewed Strategic Community Plan.		Council endorsed the LTFP 2021-2022 to 2030-2031 as a guiding document on 24 March 2021.
	6.1	<b>Rating Review Strategy</b> Draft a rating review plan that includes strategies to move the City toward a more fair and equitable rating burden and achieves long term financial plan targets.		Progress of this action was delayed but will gain momentum following the August 2021 rates collection period.
<b>Governance Services</b>	6.2	<b>Strategic Community Plan (SCP) Review</b> Undertake the four year major review of the Strategic Community Plan.		The SCP 2021-2031 was adopted by Council on 9 June 2021 following an extensive review of the 2017 SCP between June 2020 and April 2021.
<b>Human Resources and Risk</b>	6.3	<b>Enterprise Agreement</b> Renegotiate the City's Enterprise Agreement.		Negotiations commenced. While an agreement was not in place prior to the end of the financial year, discussions are progressing.
<b>Information Services</b>	6.1	<b>Assets Information Technology (IT) Business Software</b> Introduce a new system to track the progress of assets management.		All IT assets were added to a new central assets register which is now regularly updated.
<b>Legal and Property Services</b>	6.4	<b>Winderup Court Improvements</b> Undertake works to refurbish and improve facilities at the Winderup Court complex.		The potential to redevelop the units became effectively dormant due to complexities with a lands process to create two distinct lots with different forms of tenure and separation of services. A recommended strategy is to make an application to Western Power in the first instance regarding an alternative method for providing a power supply to the units.
<b>Public Relations and Community Engagement</b>	6.2	<b>Community Engagement Policy</b> Review the City's Community Engagement Policy as the first step to building a community engagement framework.		The City's Community Engagement Policy was reviewed and adopted by Council on 9 September 2020. A Community Engagement Framework aligned to the principles of the policy has been developed.
	6.2	<b>Community Survey</b> Conduct a biennial survey to assess the level of community satisfaction with City services and facilities and help plan for the future.		A report on the community satisfaction survey outcomes was received on 24 July 2020. Results were considered in conjunction with the review of the City's Strategic Community Plan 2017 (Review 2019) and helped to inform the content of the City's Strategic Community Plan 2021-2031. The results also informed various corporate and operational plans.
	6.2	<b>Website Improvements</b> Refresh the City's websites to improve communication with the community.		The new website for the GLC and NCC was launched on 27 July 2020 and the City's new public website launched on 16 February 2021. A sitemap and design for the City's intranet is complete. Work commenced on the City's new Airport website.

 Completed
  On track
  Experiencing delays

## Performance indicator results

Performance indicators are adopted each year as part of the City's rolling four year Corporate Business Plan (CBP). The performance indicators are monitored regularly to ensure plans, strategies and services are effectively managed and delivered. The information below provides a snapshot of performance indicator results for 2020-2021.

	Measure	Target/Trend	Result	Notes
Corporate Business Plan progress	Percent of action achieving milestones or targets.	> 90%	76.1%	Progress of some actions continued to be impacted by the effects and constraints of the ongoing COVID-19 pandemic, both within the organisation (e.g. high workloads arising from Government stimulus measures) and external to the organisation. In some instances progress of the action halted or slowed, meaning that schedules needed to be reviewed and targets revised to accommodate these roll on effects. Most actions affected are now on track within the revised schedules.
Financial Ratios	Standard Benchmark achieved as required by the Integrated Planning and Reporting Advisory Standard.	100% of ratios achieved	75%	
			Operating Surplus Ratio 0.03	The target ratio is 0% > and <15%.
			Current Ratio 0.946	The ratio target is ≥ 1. Cash reserves are not included in current ratio calculations. If included the City would have achieved five times the Standard.
			Debt Service Coverage Ratio 5.82	The advanced standard for debt service is >5. The ratio result of 5.82 means the City exceeded the Advanced Standard.
Own Source Revenue Ratio 0.91	The City achieved the target ratio of 0.9.			
Asset Ratios	Standard Benchmark achieved as required by the Integrated Planning and Reporting Advisory Standard.	100%	100%	The City achieved a ratio of 99.7% which is within the target ratio of 90-100%.
Airport Services	(i) Net position compared to budget.	Budget achieved	Net position better than budget	The 2020-2021 actual operating expenses of \$1,583,734 (including depreciation) are lower than budgeted operating expenses of \$3,302,571.
	(ii) Charter and Regular Passenger Transport (RPT) numbers.	Increasing	Increasing	Charter passenger numbers increased from 26,861 to 40,469. Commencement of Jetstar RPT services between Busselton and Melbourne were suspended due to COVID-19 restrictions.
Geographe Leisure Centre	(i) Net cost compared to budget.	Budget achieved	Net cost more than budget	Budget was affected by the unexpected introduction of a long service leave provision for casual staff.
	(ii) Member numbers.	Stable	Decreased	2,116 members. Membership numbers exhibited a gradual upward trend following a decline in the previous year due to closure of the centre in response to COVID-19 restrictions.
	(iii) Member retention – average number of members renewing membership within 12 months of expiry date.	55%	72%	Membership promotions in October and March produced solid membership sales.
Busselton Jetty Tourist Park	Net cost compared to budget.	Budget achieved	Net position better than budget	Income \$275,621 above budget. Overall occupancy rate 57.66%.

	Measure	Target/Trend	Result	Notes
Complaints	(i) Number of complaints received per head of population.	Decreasing	Increase	36 complaints.
	(ii) Average time taken to resolve complaints recorded.	Decreasing	Increase	Average response time 24.5 days.
Waste	Percent of solid waste diverted from landfill.	25%	25.4%	Annual result of 25.4% is typical of a residential two bin system.
Development Assessment	(i) 21 calendar days to complete simple development applications.	90%	12.8%	The COVID-19 recovery workload associated with State and Federal housing stimulus packages and related subdivisions had a significant impact on the ability to achieve targets, with an approximate 30% increase in the number of development applications being processed in 2020-2021 compared to the previous financial year. A total of 1,283 development applications were received in 2020-2021 compared to 912 in 2019-2020.
	(ii) 42 calendar days to complete standard development applications.	80%	59.1%	
	(iii) 70 calendar days to complete complex development applications.	70%	27.6%	
Energy Use	Energy plan targets determined by end of 2019-2020.	By 2030, the City's corporate carbon emissions per capita are 50% less than 2017-2018 emission levels	On track	The Energy Strategy endorsed by Council in December 2019 outlines energy targets and strategies for the City. The reduction of 4.3% of greenhouse gas emissions per capita achieved during the year indicates that the City is on track to target.
Safety	(i) Lost time injuries (LTIs).	< 10	9 LTIs	The majority of the injuries suffered were related to body stressing and strains.
	(ii) Lost time injury frequency rate (LTIFR).	< 17	15.6	The LTIFR determines the number of lost-time injuries within a given period, relative to the total number of hours worked.



Cape Naturaliste. Credit: Frances Andrijic

## Forward planning

### In March 2021 the annual review of CBP 2020-2024 was undertaken.

Following the review, the format of the CBP was amended to align with the SCP 2031 and its four key themes - Environment, Lifestyle, Opportunity and Leadership - with actions assigned to one of the strategic priorities listed in each key theme. The strategic priorities and City services of each key theme were assigned on a best fit basis.

The CBP integrates all relevant information contained in the LTFP 2021-2031, which was endorsed by Council on 24 March 2021 as a guiding document. In total, the CBP lists 71 priority actions including the 12 priority projects shown below.

### Priorities for 2021-2022 are:



#### Environment

##### Lower Vasse River

Implement actions to significantly improve the health of the Lower Vasse River.

##### Coastal Adaptation

Complete a Coastal Adaptation Strategy to address issues relating to coastal erosion.

##### Western Ringtail Possum

Progress Scheme Amendment 49 which proposes a new special control area to help protect Western Ringtail Possum habitat.



#### Lifestyle

##### Busselton Performing Arts and Convention Centre

Progress the construction of a performing arts and convention centre capable of hosting a range of events.

##### Complete the Local Planning Scheme (LPS) Review

Complete the review of the City's LPS and prepare a new and replacement scheme to support planning policies.

##### Sport and Recreation Facilities Strategy (SRFS)

Implement the SRFS to guide the provision of indoor and outdoor community sport and recreation facilities.



#### Opportunity

##### Holiday Homes Review

Review the City's holiday homes regulatory framework in consultation with the community.

##### Dunsborough Town Centre

Complete a plan to guide the overall development and enhancement of the Dunsborough Town Centre.

##### Economic Development Strategy

Review and implement the strategy aimed to capitalise on infrastructure and investment, and support business development.



#### Leadership

##### Community Engagement

Embed the City's Community Engagement Framework.

##### Strategic Performance Measures

Develop and implement key indicators to assist with measuring the performance and success of the City's Strategic Community Plan.

##### Rating Strategy

Complete a draft rating strategy that delivers a fair and equitable rating burden and achieves long term financial plan targets.

# Additional Statutory Information



## Disability Action and Inclusion Plan (DAIP)

### The City continued to provide important services to aid access and inclusion.

The City's DAIP reference group assessed and provided advice on a number of projects during the year, including plans for the King Street Coastal Nodes Project, the upgrade to Mitchell Park, the extension to the Busselton Library, Dunsborough Townscape Upgrades and the Busselton Performing Arts and Convention Centre.

The City also continued its trainee position specifically designed to give those with a disability an opportunity for employment and to develop workplace skills. The 12 month traineeship position this year was located at the Geographe Leisure Centre. Other services included -

- Wheelchair basketball games for local youth held in October and April.
- Streamlining the hiring process and reviewing the location of the City's two beach wheelchairs.
- Improving accessibility at the Busselton Senior Citizens Centre, the Lou Weston facility, parking and pathways at Kaloorup Oval Vasse and King Street parkland and facilities.
- Landscaping around the Dunsborough Telstra site.
- Installing new ACROD bays at Meelup /Eagle Bay and Vasse.
- Installing a universal access hoist at the Geographe Leisure Centre, allowing people with restricted movement to more easily access the swimming pool.
- Designing the City's new website to conform to web content accessibility guidelines.
- Personalising tutoring sessions at the Busselton Library to help those who experience difficulty navigating online services.
- Continuing to train new employees on the delivery of customer service to people with a disability.
- Promoting the City's Customer Request Management system as a means for people with a disability to provide feedback to the City.





## State Records Act compliance

### Evaluation of Recordkeeping Plan and systems

The City's recordkeeping system is continuously reviewed and developed to improve efficiency for the capture, retrieval, storage and retention of corporate records. The number of records registered during the 2020-2021 financial year increased 24.64% compared to the previous year.

The five yearly review of the City's Recordkeeping Plan is scheduled for review in August 2021. Outcomes of the review will be submitted to the State Records Commission for approval in November 2021. The review will include an evaluation of relevant policies and procedures.

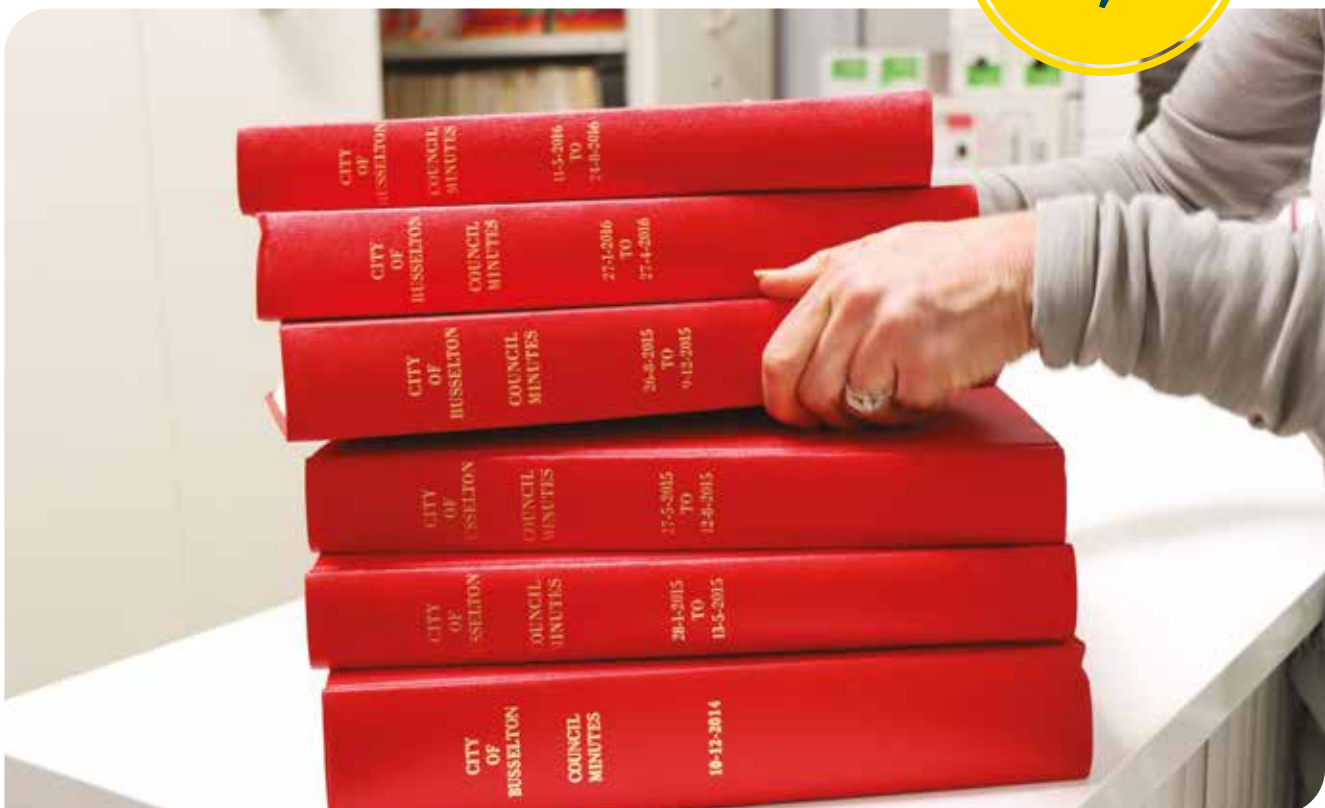
### Evaluation of the record keeping training program

Reviews of the training program are periodically conducted and adjusted to incorporate any changes resulting from system enhancements. Training is also customised to suit roles. Online training feedback forms will be developed to further assess the program and incorporate any changes required to the delivery of training. Continuous support to staff is provided by way of either one to one or group training. Internal reference guides and newsletters are all accessible via the Intranet and updates are sent via email. Requests for assistance with recordkeeping and systems are tracked through a service desk program.

### Recordkeeping induction and training program

New employees are informed of their recordkeeping responsibilities as part of the City's online induction program. A total of 57 inductions were completed during 2020-2021. One to one records induction and electronic content management (ECM) training are provided to relevant staff within the first two weeks of commencing their employment. Plans are in place to develop more training regarding the functionality of the records system to further assist staff.

Records registered  
**163,195**



## Other statutory information



Credit: In Sight Photography

### Freedom of Information

The City received 13 new freedom of information (FOI) applications during the 2020-2021 financial year. 12 applications were finalised, including one that was carried forward from the previous year. Of the 13 new applications received two were withdrawn. These statistics relate to valid applications only and do not include FOI enquiries that were either resolved outside the FOI process or did not eventuate in a valid application being received.

### Complaints

A register of complaints records all complaints of minor breaches by Council members in relation to an alleged contravention of a rule of conduct or the contravention of a local government's local law.

The City received one complaint within the period under review. As at 30 June 2021, a determination had not been reached by the Local Government Standards Panel.

### Employee Remuneration

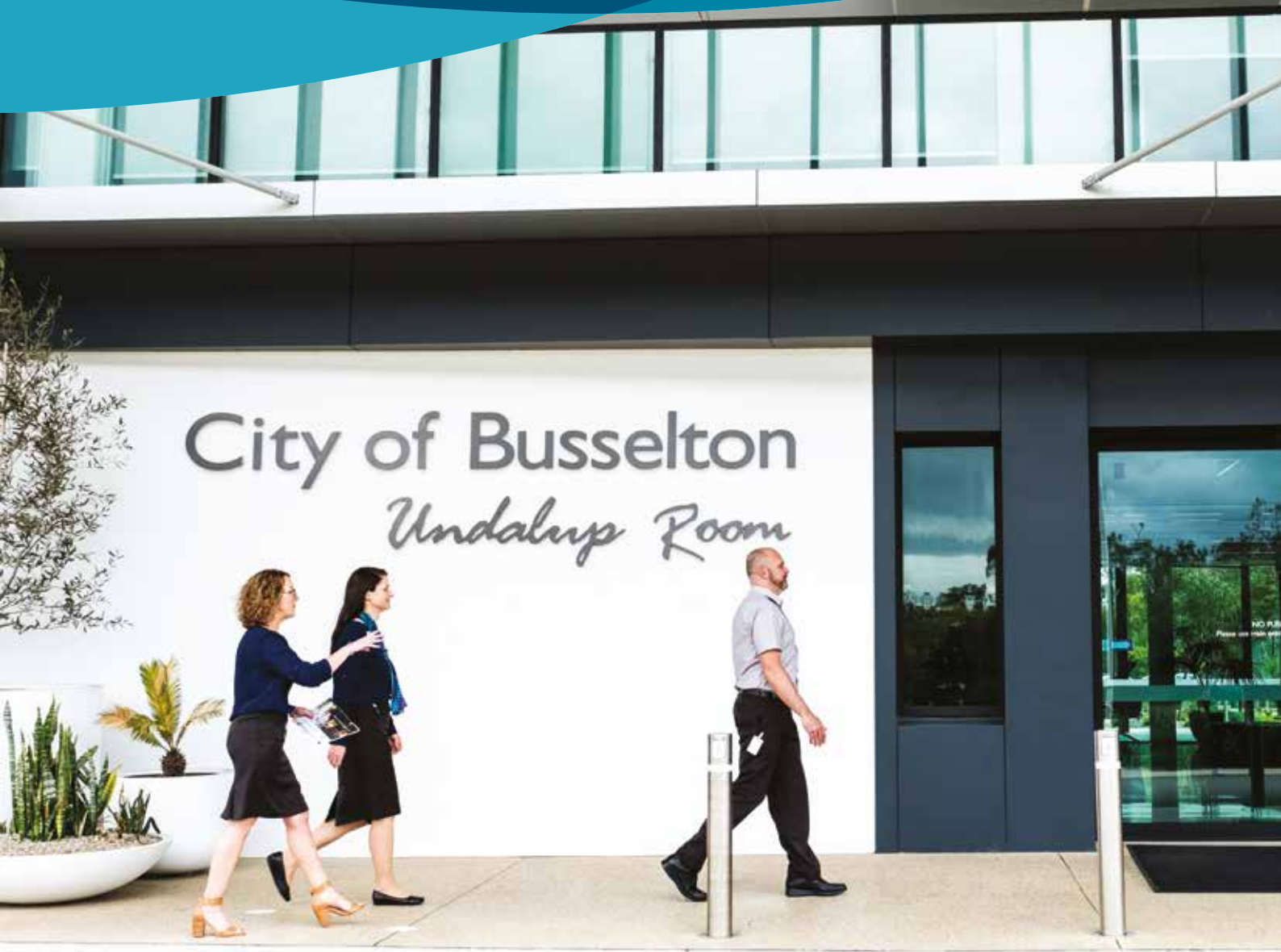
The Chief Executive Officer's remuneration package totalled \$347,296.

Employees entitled to an annual salary of \$130,000 or more are detailed by number below.

130,000 - 139,999	4 employees
140,000 - 149,999	0 employees
150,000 - 159,999	1 employees
160,000 - 169,999	0 employees
170,000 - 179,999	0 employees
180,000 - 189,999	4 employees

# Financial Report

For the year ended 30 June 2021



## Financial Performance

### The City of Busselton has continued to improve on its financial performance over the year under review.

While the Financial Health Indicator (FHI) score utilised by the State Government's MyCouncil website is not considered a fit for purpose measure, the City of Busselton has actively sought ways to improve its financial ratios, without compromising the strategic use of cash reserves.

In addition, Council resolved to prepare a Financial Sustainability Plan (FSP) in 2020-2021 to achieve agreed measures and targets. These targets will assist Council when making decisions regarding future long term financial plans.

The industry is expecting changes surrounding the financial ratios for local government after numerous comments provided by the Office of the Auditor General, the WALGA, Local Government Professionals WA and

a large number of local governments outlining the inadequacies of the current FHI calculation methods were submitted to the Department of Local Government, Sport and Communities.

Last year's annual report outlined three key measures the City would undertake to address financial performance and reporting. These were -

1. Lobby and advocate for a more appropriate fit for purpose set of financial ratios that includes discretionary reserves and grant funding.
2. Review the rates of depreciation to ensure the Operating Surplus Ratio is more accurate and reflective of actual operations.
3. Further consider Council's previous practice of transferring surplus funds to reserve.

As a result, the City has -

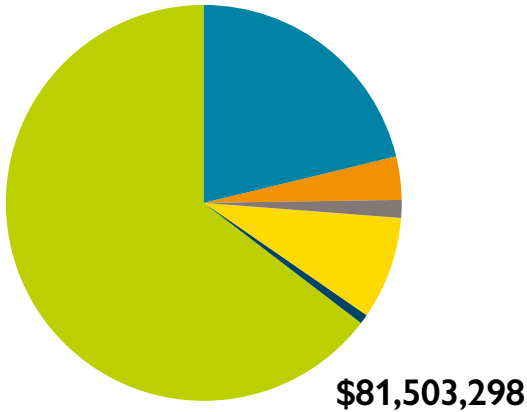
- Actively supported WALGA and its Financial Ratios Working Group and provided input to the working group.
- Reviewed areas of depreciation.
- Prepared a draft FSP with key actions and recommendations.

Despite the concern around the FHI not being fit for purpose for local government, the City improved its FHI trend, with a FHI score of 80.

The City continues to maintain a healthy balance in cash backed reserves with \$62.9M as at 30 June 2021. The Annual Financial Report can be found in Part B of this document.

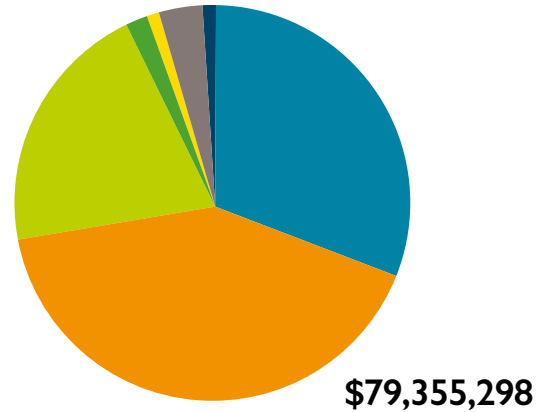


### Revenue From Ordinary Activities



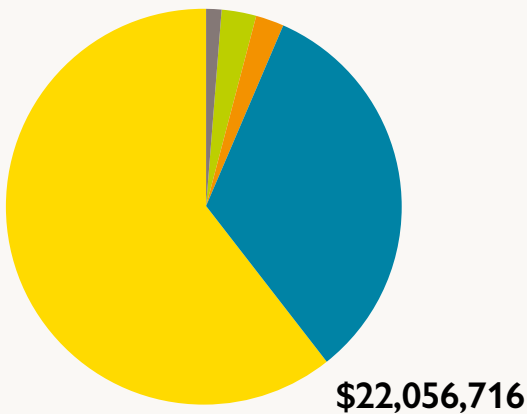
<b>21.3%</b>	Fees and charges.....	17,412,051
<b>3.42%</b>	Gain on finance sublease.....	2,786,007
<b>1.4%</b>	Interest earnings.....	1,120,191
<b>8.5%</b>	Operating grants, subsidies and contributions.....	6,986,817
<b>0.7%</b>	Other revenue.....	551,451
<b>64.5%</b>	Rates.....	52,646,781

### Expenses From Ordinary Activities



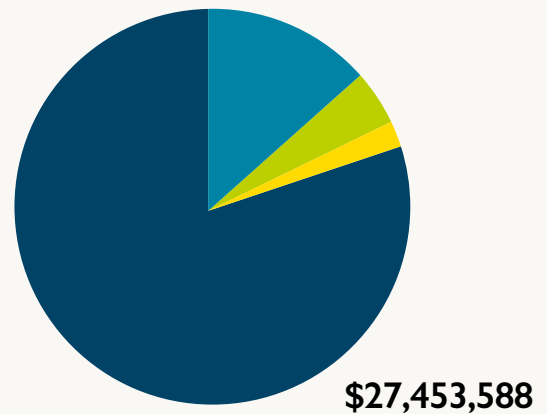
<b>31%</b>	Depreciation on non-current assets.....	24,607,001
<b>41.2%</b>	Employee costs.....	32,762,836
<b>20.9%</b>	Materials and contracts.....	16,560,581
<b>1.5%</b>	Interest expenses.....	1,192,417
<b>0.9%</b>	Insurance expenses.....	748,751
<b>3.3%</b>	Utility charges.....	2,651,097
<b>1.5%</b>	Other expenditure.....	832,615

### Total Capital Expenditure by Infrastructure Class



<b>1.5%</b>	Airport industrial parks.....	232,458
<b>0.02%</b>	Bridges.....	4,871
<b>2.8%</b>	Carparks.....	621,792
<b>0.25%</b>	Drainage.....	55,293
<b>2.3%</b>	Footpaths and cycleways.....	508,872
<b>33.1%</b>	Parks, gardens and reserves.....	7,307,106
<b>60.4%</b>	Roads.....	13,326,324

### Capital Expenditure by Class



<b>13.5%</b>	Land and buildings.....	3,564,729
<b>5.0%</b>	Plant and equipment.....	1,263,821
<b>1.9%</b>	Furniture and Equipment.....	568,322
<b>83.4%</b>	Infrastructure.....	22,056,716



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## Auditor General

### INDEPENDENT AUDITOR'S REPORT 2021 City of Busselton

To the Councillors of the City of Busselton

## Report on the audit of the annual financial report

### Opinion

I have audited the financial report of the City of Busselton (City) which comprises:

- the Statement of Financial Position at 30 June 2021, the Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity, Statement of Cash Flows and Rate Setting Statement for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information
- the Statement by the Chief Executive Officer.

In my opinion the financial report of the City of Busselton:

- is based on proper accounts and records
- fairly represents, in all material respects, the results of the operations of the City for the year ended 30 June 2021 and its financial position at the end of that period in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

### Basis for opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities section below. I am independent of the City in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Emphasis of Matter – Restatement of comparative balances

I draw attention to Note 33 to the financial statements which states that the amounts reported in the previously issued 30 June 2020 financial report have been restated and disclosed as comparatives in this financial report. My opinion is not modified in respect of this matter.

## Responsibilities of the Chief Executive Officer and Council for the financial report

The Chief Executive Officer (CEO) of the City is responsible for the preparation and fair presentation of the financial report in accordance with the requirements of the Act, the Regulations and Australian Accounting Standards. The CEO is also responsible for managing internal control (as required by the CEO) to ensure the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the CEO is responsible for assessing the City's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the State Government has made decisions affecting the continued existence of the City.

The Council is responsible for overseeing the City's financial reporting process.

## Auditor's responsibility for the audit of the financial report

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial report. The objectives of my audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

A further description of my responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at [https://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf).

## Report on other legal and regulatory requirements

In accordance with the Local Government (Audit) Regulations 1996 I report that:

- (i) In my opinion, the following material matter(s) indicate a significant adverse trend in the financial position of the City:
  - a) The Current Ratio as reported in Note 34 of the annual financial report is below the Department of Local Government, Sport and Cultural Industries (DLGSCI's) standard of 1.0 for the last three financial years.
- (ii) All required information and explanations were obtained by me.
- (iii) All audit procedures were satisfactorily completed.
- (iv) In my opinion, the Asset Consumption Ratio and the Asset Renewal Funding Ratio included in the financial report were supported by verifiable information and reasonable assumptions.

## Other matters

The financial ratios for 2019 in Note 34 of the financial report were audited by another auditor when performing their audit of the City for the year ending 30 June 2019. The auditor expressed an unmodified opinion on the financial report for that year.



## Other information

The other information is the information in the entity's annual report for the year ended 30 June 2021, but not the financial report and my auditor's report. The CEO is responsible for the preparation and the Council for overseeing the other information.

My opinion does not cover the other information and, accordingly, I do not express any form of assurance conclusion thereon.

## Matters relating to the electronic publication of the audited financial report

This auditor's report relates to the financial report of the City of Busselton for the year ended 30 June 2021 included on the City's website. The City's management is responsible for the integrity of the City's website. This audit does not provide assurance on the integrity of the City's website. The auditor's report refers only to the financial report described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this financial report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.



Sandra Labuschagne  
Deputy Auditor General  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia  
15 November 2021

**City of Busselton**

**Financial Report**

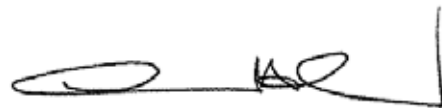
**For the Year Ended 30 June 2021**

*Local Government Act 1995  
Local Government (Financial Management) Regulations 1996*

**STATEMENT BY CHIEF EXECUTIVE OFFICER**

The attached financial report of the City of Busselton for the financial year ended 30 June 2021 is based on proper accounts and records to present fairly the financial position of the City of Busselton at 30 June 2021 and the results of the operations for the financial year then ended in accordance with the Local Government Act 1995 and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Signed on the 11 day of November 2021



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Mike Archer  
Chief Executive Officer

### Statement of Comprehensive Income by Nature or Type

	Note	2021 Actual \$	2021 Budget \$	2020 Restated \$
<b>Revenue</b>				
Rates	25	52,646,781	52,759,360	51,997,844
Operating Grants, Subsidies and Contributions	2(a)	6,986,817	4,454,801	5,664,503
Fees and Charges	2(a)	17,412,051	16,398,638	14,934,971
Interest Earnings	2(a)	1,120,191	1,046,684	1,749,695
Other Revenue		551,451	424,730	549,366
Gain on Finance Sublease		2,786,007	0	3,902,773
		<u>81,503,298</u>	<u>75,084,213</u>	<u>78,799,152</u>
<b>Expenses</b>				
Employee Costs		(32,762,836)	(33,604,206)	(32,543,216)
Materials and Contracts		(16,560,581)	(18,710,746)	(16,856,209)
Utility Charges		(2,651,097)	(2,770,956)	(2,633,428)
Depreciation on Non-Current Assets	11(b)	(24,607,001)	(24,050,074)	(22,857,747)
Interest Expenses	2(b)	(1,192,417)	(1,301,926)	(1,330,823)
Insurance Expenses		(748,751)	(770,664)	(730,852)
Other Expenditure		(832,615)	(2,811,079)	(1,029,390)
		<u>(79,355,298)</u>	<u>(84,019,651)</u>	<u>(77,981,665)</u>
		<b>2,148,000</b>	<b>(8,935,438)</b>	<b>817,487</b>
Non-Operating Grants, Subsidies and Contributions	2(a)	20,309,932	29,090,854	18,529,803
Profit on Asset Disposals		148,677	19,193	74,304
Loss on Asset Disposals		(521,958)	(90,673)	(537,558)
		<u>19,936,651</u>	<u>29,019,374</u>	<u>18,066,549</u>
<b>Net result for the period</b>		<b>22,084,651</b>	<b>20,083,936</b>	<b>18,884,036</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Impairment Loss on non-current assets	13	0	0	(1,478,109)
<b>Total other comprehensive income</b>		<u>0</u>	<u>0</u>	<u>(1,478,109)</u>
<b>Total comprehensive income for the period</b>		<u><b>22,084,651</b></u>	<u><b>20,083,936</b></u>	<u><b>17,405,927</b></u>

This statement is to be read in conjunction with the accompanying notes.

### Statement of Comprehensive Income by Program

	Note	2021 Actual \$	2021 Budget \$	2020 Restated \$
<b>Revenue</b>				
General Purpose Funding		56,081,108	55,331,966	55,972,253
Governance		234,836	219,800	507,202
Law, Order & Public Safety		1,434,145	1,429,850	968,661
Health		791,676	623,950	656,781
Education and Welfare		8,628	6,700	8,867
Housing		527,173	488,300	502,130
Community Amenities		9,409,919	8,819,000	8,655,411
Recreation and Culture		4,017,798	3,947,757	3,927,871
Transport		2,923,350	1,830,250	1,362,737
Economic Services		2,335,110	1,873,392	1,809,922
Other Property and Services		3,739,555	513,248	4,427,317
		<b>81,503,298</b>	<b>75,084,213</b>	<b>78,799,152</b>
<b>Expenses</b>				
General Purpose Funding		(1,182,829)	(1,236,570)	(1,085,183)
Governance		(6,365,440)	(7,470,632)	(6,792,460)
Law, Order & Public Safety		(3,567,234)	(3,738,812)	(3,403,391)
Health		(1,513,600)	(1,514,624)	(1,443,764)
Education and Welfare		(186,001)	(157,617)	(169,093)
Housing		(640,562)	(1,296,665)	(693,717)
Community Amenities		(13,789,842)	(14,466,327)	(13,964,955)
Recreation and Culture		(23,485,692)	(24,398,481)	(23,239,799)
Transport		(23,186,955)	(24,105,554)	(21,822,344)
Economic Services		(3,130,652)	(3,646,575)	(3,287,879)
Other Property and Services		(1,114,074)	(685,868)	(748,257)
		<b>(78,162,881)</b>	<b>(82,717,725)</b>	<b>(76,650,842)</b>
<b>Finance Costs</b>				
Governance		(660,038)	(679,196)	(711,602)
Recreation and Culture		(460,979)	(551,404)	(537,257)
Transport		(37,797)	(40,133)	(48,639)
Economic Services		(507)	(508)	(1,063)
Other Property and Services		(33,096)	(30,685)	(32,262)
	2(b)	<b>(1,192,417)</b>	<b>(1,301,926)</b>	<b>(1,330,823)</b>
Non-Operating Grants, Subsidies & Contributions	2(a)	20,309,932	29,090,854	18,529,803
Profit on Disposal of Assets		148,677	19,193	74,304
Loss on Disposal of Assets		(521,958)	(90,673)	(537,558)
		<b>19,936,651</b>	<b>29,019,374</b>	<b>18,066,549</b>
<b>Net result for the period</b>		<b>22,084,651</b>	<b>20,083,936</b>	<b>18,884,036</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Impairment Loss on non-current assets	13	0	0	(1,478,109)
<b>Total other comprehensive income</b>		<b>0</b>	<b>0</b>	<b>(1,478,109)</b>
<b>Total comprehensive income for the period</b>		<b>22,084,651</b>	<b>20,083,936</b>	<b>17,405,927</b>

This statement is to be read in conjunction with the accompanying notes.

### Statement of Financial Position

	Note	2021 Actual \$	2020 Restated \$	1 July 2019 Restated \$
<b>Current Assets</b>				
Cash and Cash Equivalents	3	17,108,235	20,001,304	21,772,318
Trade and Other Receivables	6	3,793,737	4,371,031	3,916,159
Other Financial Assets	5(a)	62,059,374	50,566,867	48,569,803
Inventories	7	936,902	25,802	24,981
Finance Lease Receivables	38	217,910	177,085	0
Other Assets	8(a)	197,380	212,924	266,918
Non-Current Assets Held for Sale	8(b)	2,035,508	0	0
<b>Total Current Assets</b>		<b>86,349,046</b>	<b>75,355,013</b>	<b>74,550,179</b>
<b>Non-current Assets</b>				
Trade and Other Receivables	6	393,784	412,055	397,461
Other Financial Assets	5(b)	481,283	430,658	283,072
Property, Plant and Equipment	9	135,213,353	137,416,270	135,148,518
Infrastructure	10	580,752,889	568,408,571	564,715,992
Finance Lease Receivables	38	7,698,983	4,858,268	0
Right of Use Assets	12(a)	811,327	1,308,114	0
<b>Total Non-current Assets</b>		<b>725,351,619</b>	<b>712,833,936</b>	<b>700,545,043</b>
<b>Total Assets</b>		<b>811,700,665</b>	<b>788,188,949</b>	<b>775,095,222</b>
<b>Current Liabilities</b>				
Trade and Other Payables	14	11,121,259	7,983,635	8,136,038
Contract Liabilities	15.1	2,521,219	2,611,824	0
Grant Liabilities	15.2	988,563	2,298,073	0
Lease Liabilities	16	492,042	500,767	0
Borrowings	17(d)	3,020,442	3,043,263	3,291,161
Employee Related Provisions	18(a)	5,502,681	5,237,538	4,614,181
Other Provisions	18(b)	430,000	0	0
<b>Total Current Liabilities</b>		<b>24,076,206</b>	<b>21,675,100</b>	<b>16,041,380</b>
<b>Non-current Liabilities</b>				
Contract Liabilities	15.1	7,888,354	7,566,720	0
Grant Liabilities	15.2	4,276,558	2,250,217	0
Lease Liabilities	16	439,461	900,849	0
Borrowings	17(d)	25,247,254	28,157,696	31,111,143
Employee Related Provisions	18(a)	715,485	665,671	627,843
<b>Total Non-current Liabilities</b>		<b>38,567,112</b>	<b>39,541,153</b>	<b>31,738,986</b>
<b>Total Liabilities</b>		<b>62,643,318</b>	<b>61,216,253</b>	<b>47,780,366</b>
<b>Net Assets</b>		<b>749,057,347</b>	<b>726,972,696</b>	<b>727,314,856</b>
<b>Equity</b>				
Retained Surplus		461,812,090	442,749,115	445,920,833
Reserves – Cash/ financial asset Backed	4	62,919,560	59,897,884	55,590,217
Revaluation Surplus	13	224,325,697	224,325,697	225,803,806
<b>Total Equity</b>		<b>749,057,347</b>	<b>726,972,696</b>	<b>727,314,856</b>

This statement is to be read in conjunction with the accompanying notes.

### Statement of Changes in Equity

	Retained Surplus	Reserves Cash Backed	Revaluation Surplus	Total Equity
Note	\$	\$	\$	\$
Balance as at 1 July 2019	444,713,504	55,590,217	236,196,300	736,500,021
Correction of prior period errors	1,207,329	0	(10,392,494)	(9,185,165)
Restated Balance	445,920,833	55,590,217	225,803,806	727,314,856
Initial application of AASB 16, AASB 15/1058	(17,748,087)	0	0	(17,748,087)
Restated Balance at 1 July 2019	428,172,746	55,590,217	225,803,806	709,566,769
<u>Comprehensive Income</u>				
Net Result for the period	18,884,036	0	0	18,884,036
Other Comprehensive Income	0	0	(1,478,109)	(1,478,109)
Total Comprehensive Income	18,884,036	0	(1,478,109)	17,405,927
Transfer from / (to) Reserves	(4,307,667)	4,307,667	0	0
<b>Balance as at 30 June 2020</b>	<b>442,749,115</b>	<b>59,897,884</b>	<b>224,325,697</b>	<b>726,972,696</b>
<u>Comprehensive Income</u>				
Net Result for the period	22,084,651	0	0	22,084,651
Other Comprehensive Income	0	0	0	0
Total Comprehensive Income	22,084,651	0	0	22,084,651
Transfer from / (to) Reserves	(3,021,676)	3,021,676	0	0
<b>Balance as at 30 June 2021</b>	<b>461,812,090</b>	<b>62,919,560</b>	<b>224,325,697</b>	<b>749,057,347</b>

This statement is to be read in conjunction with the accompanying notes.

## Statement of Cash Flows

	Note	2021 Actual \$	2021 Budget \$	2020 Actual \$
<b>Cash Flows from Operating Activities</b>				
<b>Receipts</b>				
Rates		53,316,359	52,546,446	51,938,974
Operating Grants, Subsidies and Contributions		7,331,156	4,625,990	5,373,699
Fees & Charges		17,676,719	16,590,723	14,745,813
Interest Earnings		1,120,191	1,046,688	1,749,695
Goods and Services Tax		5,926,791	4,000,000	6,531,093
Other Revenue		921,849	403,715	1,379,052
		<u>86,293,065</u>	<u>79,213,562</u>	<u>81,718,326</u>
<b>Payments</b>				
Employee Costs		(32,427,199)	(33,607,510)	(31,886,965)
Materials and Contracts		(16,008,700)	(18,804,904)	(16,157,105)
Utility Charges		(2,651,097)	(2,770,956)	(2,633,428)
Interest Expenses		(1,192,417)	(1,301,926)	(730,852)
Insurance Expenses		(748,751)	(770,664)	(1,330,823)
Goods and Services Tax		(5,986,151)	(4,000,000)	(6,657,604)
Other Expenditure		(377,712)	(2,822,360)	(2,559,347)
		<u>(59,392,027)</u>	<u>(64,078,320)</u>	<u>(61,956,124)</u>
<b>Net Cash Provided by / (used in) Operating Activities</b>	19	<u>26,901,038</u>	<u>15,135,242</u>	<u>19,762,202</u>
<b>Cash Flows from Investing Activities</b>				
Payment for Purchase of Property, Plant & Equipment		(5,294,071)	(20,446,089)	(10,974,259)
Payment for Construction of Infrastructure		(22,056,714)	(33,943,507)	(18,968,702)
Non-Operating Grants, Subsidies and Contributions		11,951,206	17,583,753	10,958,748
Proceeds from Sale of Property, Plant and Equipment		647,517	581,500	3,221,003
Proceeds from Financial Assets at Amortised Costs – Term Deposits		(11,500,000)	0	(2,000,000)
Proceeds from Self Supporting Loans		66,867	76,082	74,987
<b>Net Cash Provided by / (used In) Investing Activities</b>		<u>(26,185,195)</u>	<u>(36,148,261)</u>	<u>(17,688,223)</u>
<b>Cash Flows from Financing Activities</b>				
Repayment of Borrowings		(3,043,263)	(3,202,662)	(3,296,345)
Payments of Principal Portion of Lease Liabilities		(565,649)	(521,900)	(548,648)
Advances to Community Groups		(110,000)	(200,000)	(95,000)
Proceeds from New Borrowings		110,000	7,700,000	95,000
<b>Net Cash Provided By / (used In) Financing Activities</b>		<u>(3,608,912)</u>	<u>3,775,438</u>	<u>(3,844,993)</u>
<b>Net Increase / (Decrease) in Cash Held</b>		(2,893,069)	(17,237,581)	(1,771,014)
Cash at Beginning of Year		20,001,304	70,501,304	21,772,318
<b>Cash and Cash Equivalents at the End of the Year</b>	19	<u><b>17,108,235</b></u>	<u><b>53,263,723</b></u>	<u><b>20,001,304</b></u>

This statement is to be read in conjunction with the accompanying notes.

### Rate Setting Statement

	Note	2021 Actual \$	2021 Budget \$	2020 Actual \$
<b>Operating Activities</b>				
Net current assets at start of financial year – surplus / (deficit)	26(b)	473,794	473,794	1,751,076
		<hr/>	<hr/>	<hr/>
		473,794	473,794	1,751,076
<b>Revenue from operating activities (excluding rates)</b>				
General Purpose Funding		4,021,872	3,156,218	4,553,867
Governance		269,480	219,800	511,439
Law, Order & Public Safety		1,439,099	1,429,850	968,661
Health		793,346	624,950	656,781
Education and Welfare		8,628	6,700	8,867
Housing		527,173	488,300	502,130
Community Amenities		9,464,261	8,819,442	8,659,799
Recreation and Culture		4,043,620	3,949,398	3,963,230
Transport		2,932,002	1,830,360	1,392,924
Economic Services		2,338,364	1,873,392	1,809,922
Other Property and Services		3,754,894	529,248	4,427,449
		<hr/>	<hr/>	<hr/>
		29,592,739	22,927,658	27,455,069
<b>Expenditure from operating activities</b>				
General Purpose Funding		(1,182,829)	(1,236,570)	(1,085,183)
Governance		(7,059,030)	(8,149,828)	(7,506,165)
Law, Order & Public Safety		(3,633,234)	(3,744,812)	(3,421,391)
Health		(1,513,600)	(1,514,624)	(1,443,764)
Education and Welfare		(186,001)	(157,617)	(169,093)
Housing		(640,562)	(1,296,665)	(693,717)
Community Amenities		(13,789,842)	(14,519,662)	(13,965,411)
Recreation and Culture		(23,948,123)	(24,951,085)	(24,087,504)
Transport		(23,643,814)	(24,175,825)	(22,068,848)
Economic Services		(3,131,157)	(3,647,083)	(3,291,617)
Other Property and Services		(1,149,064)	(716,553)	(786,530)
		<hr/>	<hr/>	<hr/>
		(79,877,256)	(84,110,324)	(78,519,223)
Non-cash amounts excluded from operating activities	26(a)	15,007,990	12,614,457	12,016,160
<b>Amount Attributable to Operating Activities</b>		<hr/> <b>(34,802,733)</b>	<hr/> <b>(48,094,415)</b>	<hr/> <b>(37,296,918)</b>
<b>Investing activities</b>				
Non-operating grants, subsidies and contributions	2(a)	20,309,932	29,090,854	18,529,803
Proceeds from disposal of assets	11(a)	647,517	581,500	3,221,003
Purchase of property, plant and equipment	9(a)	(5,396,873)	(20,425,487)	(11,050,190)
Purchase and construction of infrastructure	10(a)	(22,056,717)	(33,943,507)	(18,968,702)
<b>Amount attributable to investing activities</b>		<hr/> <b>(6,496,141)</b>	<hr/> <b>(24,696,640)</b>	<hr/> <b>(8,268,086)</b>
<b>Financing activities</b>				
Advances to community groups	17(a)	(110,000)	(200,000)	(95,000)
Repayment of advances to community groups	17(a)	66,867	76,082	74,987
Repayment of borrowings	17(a)	(3,043,263)	(3,202,662)	(3,296,345)
Repayment of lease liabilities		(498,833)	(521,900)	(521,900)
Proceeds from new borrowings	17(a)	110,000	7,700,000	95,000
Transfers to reserves (restricted assets)		(32,870,825)	(20,088,584)	(25,639,394)
Transfers from reserves (restricted assets)		28,034,072	36,852,371	24,003,063
<b>Amount attributable to financing activities</b>		<hr/> <b>(8,311,982)</b>	<hr/> <b>20,615,307</b>	<hr/> <b>(5,379,589)</b>
<b>Surplus/ (deficiency) before imposition of general rates</b>		<hr/> <b>(49,610,856)</b>	<hr/> <b>(52,175,748)</b>	<hr/> <b>(50,944,593)</b>
<b>Total amount raised from general rates</b>	25(a)	<hr/> <b>52,059,236</b>	<hr/> <b>52,175,748</b>	<hr/> <b>51,418,387</b>
<b>Surplus / (deficit) after imposition of general rates</b>	26(b)	<hr/> <b>2,448,380</b>	<hr/> <b>0</b>	<hr/> <b>473,794</b>

This statement is to be read in conjunction with the accompanying notes.



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## 1. BASIS OF PREPARATION

The financial report comprises general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board, and the *Local Government Act 1995* and accompanying regulations.

The *Local Government Act 1995* and accompanying Regulations take precedence over Australian Accounting Standards where they are inconsistent.

The *Local Government (Financial Management) Regulations 1996* specify that vested land is a right-of-use asset to be measured at cost. All right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost rather than at fair value. The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 which would have required the City to measure any vested improvements at zero cost.

Accounting policies which have been adopted in the preparation of this financial report have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the financial report has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

### THE LOCAL GOVERNMENT REPORTING ENTITY

All funds through which the City controls resources to carry on its functions have been included in the financial statements forming part of this financial report.

In the process of reporting on the local government as a single unit, all transactions and balances between those funds (for example, loans and transfers between funds) have been eliminated.

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 30 to these financial statements.

### INITIAL APPLICATION OF ACCOUNTING STANDARDS

During the current year, the City adopted all of the new and revised Australian Accounting Standards and Interpretations which were compiled, became mandatory and which were applicable to its operations.

These were:

- AASB 1059 Service Concession Arrangements: Grantors
- AASB 2018-7 Amendments to Australian Accounting Standards - Definition of Materiality

The adoption of these standards had no material impact on the financial report.

### NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE YEARS

The following new accounting standards will have application to local government in future years:

- AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current
- AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments
- AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates

It is not expected these standards will have an impact on the financial report.

### CRITICAL ACCOUNTING ESTIMATES

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances; the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

## 2. Revenue and Expenses

### Revenue Recognition Policy

Recognition of revenue is dependent on the source of revenue and the associated terms and conditions associated with each source of revenue and recognised as follows:

Revenue Category	Nature of goods and services	Timing of revenue recognition
Rates	<ul style="list-style-type: none"> <li>General rates &amp; rates charged for specific defined purposes.</li> </ul>	When rates notice is issued.
Operating Grants, Subsidies and Contributions	<ul style="list-style-type: none"> <li>Community events, minor facilities, research, design, planning evaluation and services.</li> <li>General appropriations and contributions with no reciprocal commitment.</li> </ul>	<p>Income from grants that are enforceable and with sufficiently specific performance obligations is recognised as the City satisfies its obligations in the grant agreements.</p> <p>Income from grants without any sufficiently specific performance obligations, or that are not enforceable, is recognised when the City has an unconditional right to receive cash which usually coincides with receipt of cash.</p>
Non-Operating Grants, Subsidies and Contributions	<ul style="list-style-type: none"> <li>Construction or acquisition of recognisable non-financial assets to be controlled by the local government.</li> </ul>	Capital grants are recognised as income as the City satisfies its obligations in the grant agreements.
Fees and Charges	<ul style="list-style-type: none"> <li>Building, planning, development and animal management, having the same nature as a licence regardless of naming.</li> <li>Compliance safety check.</li> <li>Regulatory food, health and safety.</li> <li>Kerbside collection service.</li> <li>Waste treatment, recycling and disposal service at disposal sites.</li> <li>Permission to use facilities and runway.</li> <li>Gym and pool membership.</li> <li>Cemetery services, library fees, reinstatements and private works.</li> <li>Aviation fuel, kiosk and visitor centre stock.</li> <li>Fines issued for breaches of local laws.</li> </ul>	At a point in time (or over a relatively short period of time) when the services have been provided and payments are received.
Other Revenue	<ul style="list-style-type: none"> <li>Sale of scrap materials.</li> <li>Insurance claims.</li> <li>Commissions on licencing and ticket sales.</li> </ul>	At a point in time when the goods have been transferred and payments are received, or upon receipt of funds.

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for the year ended 30 June 2021

Notes to and forming part of the Financial Report

**2. Revenue and Expenses (Continued)**

**(a) Revenue**

Grants, subsidies and contributions are included as both operating and non-operating revenues in the Statement of Comprehensive Income:

	<b>2021 Actual \$</b>	<b>2021 Budget \$</b>	<b>2020 Actual \$</b>
<b>Operating Grants, Subsidies and Contributions</b>			
General Purpose Funding	2,434,314	1,469,422	2,317,918
Governance	188,139	166,100	329,600
Law, Order & Public Safety	1,180,178	1,192,150	758,303
Health	66,583	77,170	74,216
Education and Welfare	8,419	6,450	8,532
Housing	6,709	4,450	4,108
Community Amenities	206,651	119,800	108,818
Recreation and Culture	1,315,113	1,118,617	1,581,741
Transport	1,000,061	60,700	155,941
Economic Services	14,857	12,292	14,830
Other Property and Services	565,793	227,650	310,496
	<b>6,986,817</b>	<b>4,454,801</b>	<b>5,664,503</b>
<b>Non-operating Grants, Subsidies and Contributions</b>			
Governance	399,250	5,591,620	2,069,619
Law, Order & Public Safety	18,823	97,200	501,344
Community Amenities	674,494	960,218	381,935
Recreation and Culture	3,679,742	6,640,136	4,053,351
Transport	15,537,623	15,801,680	11,523,554
	<b>20,309,932</b>	<b>29,090,854</b>	<b>18,529,803</b>
<b>Total grants, subsidies and contributions</b>	<b>27,296,749</b>	<b>33,545,655</b>	<b>24,194,306</b>

2. Revenue and Expenses (Continued)	2021 Actual \$	2021 Budget \$	2020 Actual \$
<b>(a) Revenue (Continued)</b>			
<b>Fees &amp; Charges</b>			
General Purpose Funding	121,516	48,450	61,373
Governance	22,033	44,250	28,117
Law, Order & Public Safety	184,818	169,700	154,569
Health	639,280	542,700	581,220
Education and Welfare	209	250	334
Housing	520,464	483,850	498,023
Community Amenities	8,967,193	8,482,000	8,304,768
Recreation and Culture	2,679,865	2,807,590	2,340,335
Transport	1,880,541	1,706,550	1,167,252
Economic Services	2,276,559	1,827,700	1,753,516
Other Property and Services	119,573	285,598	45,464
	<b>17,412,051</b>	<b>16,398,638</b>	<b>14,934,971</b>

There were no changes during the year to the amount of the fees or charges detailed in the original budget.

#### **SIGNIFICANT ACCOUNTING POLICIES**

##### **Grants, Subsidies and Other Contributions**

Operating grants, subsidies and other contributions are grants, subsidies and contributions that are non-operating in nature.

Non-operating grants, subsidies and contributions are amounts received for the acquisition or construction of recognisable non-financial assets to be controlled by the local government.

##### **Fees and Charges**

Revenue (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees.

FINANCIAL REPORT  
for the year ended 30 June 2021

Notes to and forming part of the Financial Report

	2021 Actual \$	2021 Budget \$	2020 Actual \$
<b>2. Revenue and Expenses (Continued)</b>			
<b>(a) Revenue (Continued)</b>			
<b>Revenue from Statutory Requirements</b>			
Revenue from statutory requirements was recognised during the year for the following nature or types of goods or services:			
General rates	52,059,236	52,175,748	51,418,387
Specified area rates	587,545	583,612	579,458
Statutory permits and licences	1,315,816	961,500	928,337
Fines	84,317	106,950	74,204
Developer contributions	958,602	617,300	678,492
Public open space contributions	745,999	0	0
	<b>55,751,515</b>	<b>54,445,110</b>	<b>53,678,878</b>
<b>Assets and services acquired below fair value</b>			
Contributed assets	9,424,331	6,597,200	4,482,078
	<b>9,424,331</b>	<b>6,597,200</b>	<b>4,482,078</b>
<b>Interest Earnings</b>			
- Reserve Funds	337,120	562,684	769,664
- Restricted Funds	0	0	38,545
- Other Funds	312,408	90,250	323,611
- Other Interest Revenue	470,663	393,750	617,875
	<b>1,120,191</b>	<b>1,046,684</b>	<b>1,749,695</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Interest Earnings**

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

**Interest Earnings (continued)**

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes.

FINANCIAL REPORT  
for the year ended 30 June 2021

*Notes to and forming part of the Financial Report*

	2021 Actual \$	2021 Budget \$	2020 Actual \$
<b>2. Revenue and Expenses (Continued)</b>			
<b>(b) Expenses</b>			
<b>Auditors Remuneration</b>			
- Audit of Financial Report	41,000	41,000	41,000
- Other Services	3,835	4,000	4,114
	<b>44,835</b>	<b>45,000</b>	<b>45,114</b>
 <b>Interest Expenses (Finance Costs)</b>			
Long Term Borrowings (refer Note 17(a))	1,140,572	1,229,911	1,257,232
Lease Interest	51,845	72,015	73,591
	<b>1,192,417</b>	<b>1,301,926</b>	<b>1,330,823</b>

FINANCIAL REPORT  
for the year ended 30 June 2021

Notes to and forming part of the Financial Report

	Note	2021 Actual \$	2020 Actual \$
<b>3. Cash and Cash Equivalents</b>			
Unrestricted		5,414,518	1,595,119
Restricted		11,693,717	18,406,185
		<u>17,108,235</u>	<u>20,001,304</u>
<b>Restrictions</b>			
The following classes of assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:			
- Cash and cash equivalents - restricted		11,693,717	18,406,185
- Financial Assets at amortised cost	5	62,000,000	50,500,000
		<u>73,693,717</u>	<u>68,906,185</u>
Reserves – cash/financial asset backed	4	62,919,560	59,897,885
Cash set aside in Lieu of Parking		275,602	275,602
Cash set aside in Lieu of Public Open Space		381,410	0
Cash set aside for Roadwork within specific areas, being funds given as a condition of subdivision/development		1,122,046	1,367,862
Cash set aside, being unspent specific purpose Government Grants		5,265,121	4,548,290
Cash set aside, being Unspent Loan Funds		49,341	92,612
Cash set aside for Sundry Restricted		256,155	258,459
Cash set aside for Deposits & Bonds		3,424,482	2,465,475
		<u>73,693,717</u>	<u>68,906,185</u>

**SIGNIFICANT ACCOUNTING POLICIES**

**Cash and cash equivalents**

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are reported as short term borrowings in current liabilities in the statement of financial position.

**Restricted Assets**

Restricted asset balances are not available for general use by the local government due to externally imposed restrictions. Externally imposed restrictions are specified in an agreement, contract or legislation. This applies to reserves, unspent grants, subsidies and contributions and unspent loans that have not been fully expended in the manner specified by the contributor, legislation or loan agreement.



4. Reserves – Cash/ Financial Asset Backed

	2020/21 Actual				2020/21 Budget				2019/20 Actual			
	Opening Balance \$	Transfers To \$	Transfers From \$	Closing Balance \$	Opening Balance \$	Transfers To \$	Transfers From \$	Closing Balance \$	Opening Balance \$	Transfers To \$	Transfers From \$	Closing Balance \$
Airport Infrastructure Renewal Reserve	1,712,273	11,771	(252,277)	1,471,767	1,712,273	20,237	(288,364)	1,444,146	1,821,554	28,582	(137,863)	1,712,273
Airport Marketing and Incentive Reserve	4,073,791	1,213,617	0	5,287,408	4,073,791	372,872	(1,180,572)	3,266,091	3,396,151	677,640	0	4,073,791
Airport Noise Mitigation Reserve	904,897	5,554	(114,303)	796,148	904,897	9,864	(866,500)	48,261	890,710	14,187	0	904,897
Airport Development Reserve	1,577	(199)	(1,378)	0	1,577	0	(1,577)	0	0	167,459	(165,882)	1,577
Airport Existing Terminal Building Reserve	122,795	83,455	0	206,250	122,795	83,622	0	206,417	39,882	82,913	0	122,795
Building Asset Renewal Reserve	1,483,242	1,046,717	(436,626)	2,093,333	1,483,242	1,053,312	(1,071,026)	1,465,528	1,725,056	759,850	(1,001,664)	1,483,242
Barnard Park Sports Pavilion Building Reserve	41,352	30,598	0	71,950	41,352	30,682	0	72,034	10,666	30,686	0	41,352
Railway House Building Reserve	36,854	19,938	0	56,792	36,854	20,031	0	56,885	16,761	20,093	0	36,854
Youth and Community Activities Building Reserve	80,355	43,488	0	123,843	80,355	43,716	0	124,071	45,712	43,988	(9,345)	80,355
Busselton Library Building Reserve	111,022	46,043	(100,000)	57,065	111,022	46,908	(105,000)	52,930	85,071	47,413	(21,462)	111,022
Busselton Community Resource Centre Reserve	272,694	88,405	(36,100)	324,999	272,694	89,370	(50,000)	312,064	190,876	85,545	(3,727)	272,694
Busselton Jetty Tourist Park Reserve	222,753	585,076	(171,021)	636,808	222,753	255,257	(243,600)	234,410	159,726	172,363	(109,336)	222,753
Geopraphe Leisure Centre Building Reserve	615,084	265,124	(761,175)	119,033	615,084	267,229	(819,657)	62,656	381,186	578,141	(344,243)	615,084

FINANCIAL REPORT  
for the year ended 30 June 2021

Notes to and forming part of the Financial Report

	2020/21 Actual				2020/21 Budget				2019/20 Actual			
	Opening Balance \$	Transfers To \$	Transfers From \$	Closing Balance \$	Opening Balance \$	Transfers To \$	Transfers From \$	Closing Balance \$	Opening Balance \$	Transfers To \$	Transfers From \$	Closing Balance \$
Joint Venture Aged Housing Reserve	1,237,307	199,324	(73,325)	1,363,306	1,237,307	145,294	(152,250)	1,230,351	1,085,871	203,199	(51,763)	1,237,307
Winderup Aged Housing Resident Funded Reserve	212,935	79,782	0	292,717	212,935	50,866	(52,000)	211,801	212,501	5,504	(5,070)	212,935
Naturaliste Community Centre Building Reserve	125,077	60,710	(56,195)	129,592	125,077	61,076	(142,000)	44,153	63,746	61,331	0	125,077
Civic and Administration Building Reserve	429,689	285,733	(45,063)	670,359	429,689	286,680	(48,983)	667,386	187,928	287,513	(45,752)	429,689
Vasse Sports Pavilion Building Reserve	541	541	0	1,082	541	536	0	1,077	0	541	0	541
Jetty Maintenance Reserve	5,239,343	1,359,365	(916,344)	5,682,364	5,239,343	1,382,219	(1,255,708)	5,365,854	4,806,278	1,369,197	(936,132)	5,239,343
Jetty Self Insurance Reserve	432,198	62,888	0	495,086	432,198	64,716	0	496,914	365,698	66,500	0	432,198
Road Assets Renewal Reserve	1,597,129	3,514,710	(3,794,629)	1,317,210	1,597,129	3,519,202	(3,995,499)	1,120,832	1,119,116	3,497,937	(3,019,924)	1,597,129
Footpath/ Cycle Ways Reserve	408,438	1,222,406	(792,009)	838,835	408,438	1,220,490	(1,382,583)	246,345	3,671	1,193,389	(788,622)	408,438
Other Infrastructure Reserves	264,389	359,835	(85,377)	538,847	264,389	359,880	(297,041)	327,228	0	350,298	(85,909)	264,389
Parks, Gardens and Reserves Reserve	833,946	1,293,941	(1,378,230)	749,657	833,946	1,294,262	(1,983,645)	144,563	0	1,224,827	(390,881)	833,946
Furniture and Equipment Reserve	257,784	437,305	(362,606)	332,483	257,784	436,808	(434,000)	260,592	0	364,900	(107,116)	257,784
Plant Replacement Reserve	1,098,442	1,224,484	(208,737)	2,114,189	1,098,442	1,039,638	(492,240)	1,645,840	1,205,527	924,458	(1,031,543)	1,098,442

4. Reserves – Cash/ Financial Asset Backed (Continued)

	2020/21 Actual				2020/21 Budget				2019/20 Actual			
	Opening Balance \$	Transfers To \$	Transfers From \$	Closing Balance \$	Opening Balance \$	Transfers To \$	Transfers From \$	Closing Balance \$	Opening Balance \$	Transfers To \$	Transfers From \$	Closing Balance \$
Major Traffic Improvements Reserve	638,846	1,090,195	(1,491,831)	237,210	638,846	1,095,948	(1,641,750)	93,044	1,495,578	1,154,129	(2,010,861)	638,846
CBD Enhancement Reserve	613,762	778,598	(122,393)	1,269,967	613,762	547,111	(590,000)	570,873	171,317	532,251	(89,806)	613,762
New Infrastructure Development Reserve	1,506,176	201,423	(822,631)	884,968	1,506,176	202,647	(1,400,645)	308,178	1,803,172	227,652	(524,648)	1,506,176
Commonage Precinct Infrastructure Road Reserve	234,907	1,442	0	236,349	234,907	2,556	(235,000)	2,463	231,224	3,683	0	234,907
City Car Parking and Access Reserve	1,555,123	60,006	(822,397)	792,732	1,555,123	69,421	(1,375,579)	248,965	1,281,337	529,986	(256,200)	1,555,123
Debt Default Reserve	0	501,841	0	501,841	0	500,000	0	500,000	0	0	0	0
Corporate IT Systems Reserve	226,750	101,972	0	328,722	226,750	102,472	(207,900)	121,322	80,398	146,352	0	226,750
Election, Valuation and Other Corporate Expenses Reserve	560,995	154,032	0	715,027	560,995	156,120	(140,900)	576,215	499,906	158,665	(97,576)	560,995
Legal Expenses Reserves	636,940	114,689	(80,000)	671,629	636,940	6,948	0	643,888	577,256	59,684	0	636,940
Marketing and Area Promotion Reserve	166,392	1,302,316	(946,442)	522,266	166,392	1,293,439	(1,347,817)	112,014	0	166,392	0	166,392
Performing Arts and Convention Centre Reserve	2,625,599	66,130	(1,359,460)	1,332,269	2,625,599	78,620	(1,446,200)	1,258,019	0	2,625,599	0	2,625,599
Long Service Leave Reserve	3,482,110	572,652	(401,268)	3,653,494	3,482,110	287,956	(438,250)	3,331,816	3,096,583	738,504	(352,977)	3,482,110
Professional Development Reserve	145,029	92,370	(51,468)	185,931	145,029	95,084	(88,500)	151,613	122,772	72,418	(50,161)	145,029

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for the year ended 30 June 2021

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	2020/21 Actual				2020/21 Budget				2019/20 Actual			
	Opening Balance \$	Transfers To \$	Transfers From \$	Closing Balance \$	Opening Balance \$	Transfers To \$	Transfers From \$	Closing Balance \$	Opening Balance \$	Transfers To \$	Transfers From \$	Closing Balance \$
Sick Pay Incentive Reserve	144,632	(6,375)	(32,016)	106,241	144,632	1,572	(73,550)	72,654	150,403	2,702	(8,473)	144,632
Workers Compensation & Extended Sick Leave Contingency Reserve	309,750	1,901	(93,169)	218,482	309,750	3,372	(147,607)	165,515	305,100	4,650	0	309,750
Community Facilities - City District	1,120,869	596,851	(422,655)	1,295,065	1,120,869	399,266	(1,031,448)	488,687	2,552,707	255,371	(1,687,209)	1,120,869
Community Facilities - Broadwater	166,414	18,633	0	185,047	166,414	11,812	0	178,226	158,524	7,890	0	166,414
Community Facilities - Busselton	9,177	30,611	0	39,788	9,177	22,596	0	31,773	44,012	9,165	(44,000)	9,177
Community Facilities - Dunsborough	255,153	79,129	0	334,282	255,153	30,284	0	285,437	188,063	67,090	0	255,153
Community Facilities - Dunsborough Lakes Estate	937,469	5,754	0	943,223	937,469	10,224	(938,000)	9,693	922,773	14,696	0	937,469
Community Facilities - Geopraphe	101,979	12,028	0	114,007	101,979	8,616	0	110,595	99,176	2,803	0	101,979
Community Facilities - Port Geopraphe	348,981	2,142	0	351,123	348,981	3,804	0	352,785	343,510	5,471	0	348,981
Community Facilities - Vasse	489,904	2,895	(318,045)	174,754	489,904	5,340	(284,270)	210,974	615,586	9,470	(135,152)	489,904
Community Facilities - Airport North	3,017,488	147,465	0	3,164,953	3,017,488	132,892	(150,000)	3,000,380	2,970,179	47,309	0	3,017,488
Locke Estate Reserve	6,269	60,189	(60,000)	6,458	6,269	60,072	0	66,341	1,013	60,420	(55,164)	6,269
Port Geopraphe Development Reserve	224,953	53,311	(160,428)	117,836	224,953	54,423	(219,167)	60,209	682,471	60,815	(518,333)	224,953

4. Reserves – Cash/ Financial Asset Backed (Continued)

	2020/21 Actual				2020/21 Budget				2019/20 Actual			
	Opening Balance \$	Transfers To \$	Transfers From \$	Closing Balance \$	Opening Balance \$	Transfers To \$	Transfers From \$	Closing Balance \$	Opening Balance \$	Transfers To \$	Transfers From \$	Closing Balance \$
Port Geographe Waterways Management Reserve	3,275,192	243,331	(350,226)	3,168,297	3,275,192	255,910	(375,000)	3,156,102	3,349,717	272,758	(347,283)	3,275,192
Provence Landscape Maintenance Reserve	1,308,477	191,215	(245,329)	1,254,363	1,308,477	196,087	(252,948)	1,251,616	1,194,759	199,871	(86,153)	1,308,477
Vasse Newtown Landscape Maintenance Reserve	636,364	186,598	(155,591)	667,371	636,364	188,519	(190,539)	634,344	575,151	191,135	(129,922)	636,364
Commonage Precinct Bushfire Facilities Reserve	58,173	357	0	58,530	58,173	636	0	58,809	57,261	912	0	58,173
Commonage Community Facilities	73,779	453	0	74,232	73,779	804	0	74,583	72,622	1,157	0	73,779
Dunborough Lakes South Reserve	899,694	5,522	0	905,216	899,694	9,804	0	909,498	886,172	13,522	0	899,694
Commonage Community Facilities South Biddle Precinct Reserve	475,582	2,854	(29,591)	448,845	475,582	5,184	(188,000)	292,766	546,471	8,451	(79,340)	475,582
Busselton Area Drainage and Waterways Improvement Reserve	2,157,593	586,316	(1,240,367)	1,503,542	2,157,593	497,564	(2,130,000)	525,157	2,845,579	575,589	(1,263,575)	2,157,593
Coastal and Climate Adaptation Reserve	94,137	20,656	0	114,793	94,137	21,032	0	115,169	72,782	21,355	0	94,137
Emergency Disaster Recovery Reserve	137,955	104,042	(17,727)	224,270	137,955	104,250	(103,000)	139,205	181,853	132,799	(176,697)	137,955
Energy Sustainability Reserve	35,871	108,206	(44,530)	99,547	35,871	146,346	(120,000)	62,217	157,626	107,045	(228,800)	35,871
Cemetery Reserve	87,052	534	(41,060)	46,526	87,052	948	(49,060)	38,940	86,198	854	0	87,052
Public Art Reserve	7,629,359	1,378,245	(520,667)	8,486,937	7,629,359	1,139,292	(2,540,500)	6,228,151	7,867,210	1,005,697	(1,243,548)	7,629,359
Waste Management Facility and Plant Reserve												

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for the year ended 30 June 2021

Notes to and forming part of the Financial Report

	2020/21 Actual				2020/21 Budget				2019/20 Actual			
	Opening Balance \$	Transfers To \$	Transfers From \$	Closing Balance \$	Opening Balance \$	Transfers To \$	Transfers From \$	Closing Balance \$	Opening Balance \$	Transfers To \$	Transfers From \$	Closing Balance \$
Strategic Projects Reserve	295,560	55,346	0	350,906	295,560	72,086	(96,000)	271,646	257,163	52,194	(13,797)	295,560
Prepaid Grants and Deferred Works & Services Reserve	1,391,422	1,286,742	(1,316,998)	1,361,166	1,391,422	0	(1,391,422)	0	1,232,906	1,391,422	(1,232,906)	1,391,422
Busselton Foreshore Reserve	100	11	0	111	100	10	0	110	0	100	0	100
LED Street Lighting Replacement Program Reserve	0	50,121	(50,000)	121	0	50,000	(50,000)	0	0	0	0	0
	<b>59,897,884</b>	<b>23,803,360</b>	<b>(20,781,684)</b>	<b>62,919,560</b>	<b>59,897,884</b>	<b>20,025,834</b>	<b>(34,105,297)</b>	<b>45,818,421</b>	<b>55,590,217</b>	<b>23,196,482</b>	<b>(18,888,815)</b>	<b>59,897,885</b>

#### **4. Reserves – Cash/ Financial Asset Backed (Continued)**

All reserves are supported by cash and cash equivalents and financial assets at amortised cost and are restricted within equity as Reserves – cash/ financial assets backed.

In accordance with council resolutions or adopted budget in relation to each reserve account, the purpose for which the reserves are set aside are as follows:

##### **Airport Infrastructure Renewal Reserve**

To provide funding for the major maintenance, renewal, replacement, upgrading and installation of Airport Infrastructure, Plant, Furniture and Equipment.

##### **Airport Marketing and Incentive Reserve**

The purpose of promoting and providing incentives for the Busselton Margaret River Airport.

##### **Airport Noise Mitigation Reserve**

To be utilised for the purpose of noise mitigation related activities surrounding the Airport precinct.

##### **Airport Development Reserve**

To provide funds for new capital works and infrastructure projects that contribute to expanding the operations and capacity of the airport including potential revenue generating opportunities (to be closed in 20/21 and added to Airport Infrastructure Renewal and Replacement Reserve).

##### **Airport Existing Terminal Building Reserve**

To provide funding for the major maintenance, renewal, replacement, upgrading and future building and fit out requirements for the asset.

##### **Building Asset Renewal Reserve**

To provide funding for the major maintenance, renewal, replacement, upgrading and future building requirements for SLH2 to SLH6 assets that do not have their own reserve account and for other major building assets where insufficient funds are held for those assets.

##### **Barnard Park Sports Pavilion Building Reserve**

To provide funding for the major maintenance, renewal, replacement, upgrading and future building and fit out requirements for the asset.

##### **Railway House Building Reserve**

To provide funding for the major maintenance, renewal, replacement, upgrading and future building and fit out requirements for the asset.

##### **Youth and Community Activities Building Reserve**

To provide funding for the major maintenance, renewal, replacement, upgrading and future building and fit out requirements for the asset.

##### **Busselton Library Building Reserve**

To provide funding for the major maintenance, renewal, replacement, upgrading and future building and fit out requirements for the asset.

##### **Busselton Community Resource Centre Reserve**

To provide funding for the major maintenance, renewal, replacement, upgrading and future building and fit out requirements for the asset.

**4. Reserves – Cash/ Financial Asset Backed (Continued)**

**Busselton Jetty Tourist Park Reserve**

To provide funding for capital, maintenance and promotional/ marketing requirements.

**Geographe Leisure Centre Building Reserve**

To provide funding for the major maintenance, renewal, replacement, upgrading and future building and fit out requirements for the asset.

**Joint Venture Aged Housing Reserve**

To hold funds to meet future expenses, including capital, maintenance, operational and administrative costs associated with the provision of community aged housing at Winderlup Villas and Harris Road pursuant to the relevant joint venture agreements with the Department of Housing.

**Winderlup Aged Housing Resident Funded Reserve**

To hold funds to meet future expenses, including capital, maintenance, operational and administrative costs associated with the provision of council owned community aged housing.

**Naturaliste Community Centre Building Reserve**

To provide funding for the major maintenance, renewal, replacement, upgrading and future building and fit out requirements for the asset.

**Civic and Administration Building Reserve**

To provide funding for the major maintenance, renewal, replacement, upgrading and future building and fit out requirements for the asset.

**Vasse Sports Pavilion Building Reserve**

To provide funding for the construction, major maintenance, renewal, replacement, upgrading and future building and fit out requirements for the asset.

**Jetty Maintenance Reserve**

To provide funding for the maintenance, renewal, replacement, upgrading and future Capital works requirements for the asset.

**Jetty Self Insurance Reserve**

As a contingency fund to rectify damage caused by the demise of the Busselton jetty or part of the jetty or for large unbudgeted extraordinary jetty repairs.

**Road Asset Renewal Reserve**

To provide funding for the major maintenance, renewal, replacement, upgrading and future requirements with respect to Road Infrastructure assets within the District.

**Footpath/ Cycle Ways Reserve**

To provide funding for the major maintenance, renewal, replacement, upgrading and future requirements with respect to Footpath and Cycleway assets within the District.

**Other Infrastructure Reserve**

To provide funding for the major maintenance and renewal of other infrastructure not specifically provided for in other reserves.



**4. Reserves – Cash/ Financial Asset Backed (Continued)**

**Parks, Gardens and Reserves Reserve**

To provide funding for the major maintenance and renewal of Parks, Gardens and Reserves within the District.

**Furniture and Equipment Reserve**

To provide funds for the major maintenance, renewal, replacement, upgrading and future requirements with respect to furniture and equipment assets within the District.

**Plant Replacement Reserve**

To provide funding for the major maintenance, renewal, replacement, upgrading and future requirements with respect to Plant and Equipment assets excluding those in independent commercial operations.

**Major Traffic Improvements Reserve**

To be utilised for the provision of enabling major capital works programs to be funded for the upgrade of the local road network to reduce congestion, increase traffic flow and ease of access within the District.

**CBD Enhancement Reserve**

To provide funds for Capital and maintenance works and improvements within the Busselton and Dunsborough Central Business Districts.

**New Infrastructure Development Reserve**

For the purpose of setting aside funds to facilitate the identification, design and development/construction of new infrastructure and other capital projects as identified in the City's LTFP.

**Commonage Precinct Infrastructure Road Reserve**

To be utilised for the purpose of road infrastructure and road safety upgrades within the Commonage Contribution Area in accordance with the Commonage Contributions Area policy provisions.

**City Car Parking and Access Reserve**

To provide funding for development of public car parking, the development of infrastructure to provide for the management of public car parking and improving public transport to and within the City or for end of trip facilities. To provide funding for the purchase of land identified as of strategic importance for future parking requirements.

**Debt Default Reserve**

To provide for potential default on debts owing to the City, particularly in relation negative economic circumstances caused by a declared state of emergency (such as COVID-19).

**Corporate IT Systems Reserve**

To provide funding in relation to the ongoing development, enhancement and/ or replacement of the City's corporate systems. To be utilised for the renewal and replacement or introduction of new IT platforms/ hardware for the City.

**Election, Valuation and Other Corporate Expenses Reserve**

To provide funding for Council elections, rating valuations, fair value valuations and other legislative and corporate governance requirements.

**Legal Expenses Reserve**

Funding for any legal expenses or contingency involving the City of Busselton.

**4. Reserves – Cash/ Financial Asset Backed (Continued)**

**Marketing and Area Promotion Reserve**

To fund the City's contributions and expenditure on tourism, marketing, area promotion and events activities as a result of MERG funding allocations.

**Performing Arts and Convention Centre Reserve**

To provide funds for the planning and construction, and holding of grants or other funds for a future Performing Arts and Convention Centre for the District.

**Long Service Leave Reserve**

To provide funding to meet the City's future long service leave obligations of employees.

**Professional Development Reserve**

To provide funding to meet the City's ongoing contractual professional development obligations of employees.

**Sick Pay Incentive Reserve**

To provide funding to meet the City's obligations under a former sick leave incentive scheme pertaining to staff employed pre 2003.

**Workers Compensation and Extended Sick Leave Contingency Reserve**

A contingency fund to assist the City in meeting its Workers Compensation Contribution obligations when claim costs exceed the "Deposit" amount allocated to claims, to fund any shortfall with respect to insurance premiums in any one year, negotiated settlements of outstanding claims, and to enable periods of extended Sick Leave to be funded with a replacement officer.

**Community Facilities - City District**

To hold development contributions received by the City for the provision of new or upgraded community infrastructure within the District.

**Community Facilities – Broadwater**

To hold development contributions received by the City for the provision of new or upgraded community infrastructure within the Precinct as per the adopted contributions plan.

**Community Facilities – Busselton**

To hold development contributions received by the City for the provision of new or upgraded community infrastructure within the Precinct as per the adopted contributions plan.

**Community Facilities – Dunsborough**

To hold development contributions received by the City for the provision of new or upgraded community infrastructure within the Precinct as per the adopted contributions plan.

**Community Facilities - Dunsborough Lakes Estate**

To hold development contributions received by the City for the provision of new or upgraded community infrastructure within the Precinct as per the adopted contributions plan.

**Community Facilities – Geographe**

To hold development contributions received by the City for the provision of new or upgraded community infrastructure within the Precinct as per the adopted contributions plan.

**4. Reserves – Cash/ Financial Asset Backed (Continued)**

**Community Facilities - Port Geographe**

To hold development contributions received by the City for the provision of new or upgraded community infrastructure within the Precinct as per the adopted contributions plan.

**Community Facilities – Vasse**

To hold development contributions received by the City for the provision of new or upgraded community infrastructure within the Precinct as per the adopted contributions plan.

**Community Facilities - Airport North**

To hold development contributions received by the City for the provision of new or upgraded community infrastructure within the Precinct as per the adopted contributions plan.

**Locke Estate Reserve**

To provide funding for the protection of the Locke Estate (Reserve 22674) coastline.

**Port Geographe Development Reserve**

To provide funds for capital and maintenance costs for development works associated within the Port Geographe contribution area.

**Port Geographe Waterways Management Reserve**

To provide funds for the City to fulfil its obligations under a Waterways Management Deed with the State Government for the future maintenance of waterways and associated facilities within the Port Geographe contributions area.

**Provence Landscape Maintenance Reserve**

For the purpose of holding funds for the maintenance of the approved higher standard of landscaping with the contributions area including future Capital replacement of landscaping structures as may be required.

**Vasse Newtown Landscape Maintenance Reserve**

For the purpose of holding funds for the maintenance of the approved higher standard of landscaping with the contributions area including future Capital replacement of landscaping structures as may be required.

**Commonage Precinct Bushfire Facilities Reserve**

For the purpose of the provision of fire protection facilities in accordance with the Commonage Contributions Area policy provisions.

**Commonage Community Facilities Dunsborough Lakes South Reserve**

For the purpose of the provision of future recreational facilities at Dunsborough Lakes South in accordance with the Dunsborough Lakes Developer Contributions Plan.

**Commonage Community Facilities South Biddle Precinct Reserve**

To be utilised for the provision of community facilities within the South Biddle Precinct in accordance with the Commonage Area Implementation Policy provisions.

**Busselton Area Drainage and Waterways Improvement Reserve**

To hold development contributions for the provision of drainage works and the management and improvement of waterways and adjacent reserves within Busselton including the lower Vasse River.

**4. Reserves – Cash/ Financial Asset Backed (Continued)**

**Coastal and Climate Adaptation Reserve**

The purpose of the reserve is to provide funds for coastal protection of assets and to fund initiatives to address the impacts of climate change including water supply sustainability and improvements/ upgrades of infrastructure susceptible to climate change.

**Emergency Disaster Recovery Reserve**

To provide funding for Disaster Recovery activities including natural and man-made events.

**Energy Sustainability Reserve**

To provide funding for the investigation, implementation and optimisation of Energy Sustainability initiatives within the District.

**Cemetery Reserve**

To provide funding for the renewal, expansion and establishment of Cemeteries within the district.

**Public Art Reserve**

To hold development contributions received by the City for the commissioning, purchase and enhancement of public art works within the District.

**Waste Management Facility and Plant Reserve**

To provide funding for development and rehabilitation of waste disposal sites both within the district and regionally. Acquisition of waste plant and equipment and any other waste management activities that may include contaminated sites within the District.

**Strategic Projects Reserve**

To provide funds for projects which may create a future revenue stream for the City and reduce reliance on rate revenue.

**Prepaid Grants and Deferred Works and Services Reserve**

To hold Government and third party grants monies received in advance as well as deferred municipal funded works and services as at the end of financial year.

**Busselton Foreshore Reserve**

To provide funds for on-going asset maintenance and any future capital works.

**LED Street Lighting Replacement Program Reserve**

To provide funds for the on-going replacement of street lighting throughout the district with LED capacity.

	Note	2021 Actual \$	2020 Actual \$
<b>5. Other Financial Assets</b>			
<b>(a) Current Assets</b>			
Financial assets at amortised cost		62,059,374	50,566,867
		62,059,374	50,566,867
<b>Other Financial Assets at Amortised Costs</b>			
Self-supporting loans		59,374	66,867
Term Deposit	3	62,000,000	50,500,000
		62,059,374	50,566,867
		62,059,374	50,566,867
<b>(b) Non-Current Assets</b>			
Financial assets at amortised cost		356,646	306,021
Financial assets at fair value through profit and loss		124,637	124,637
		481,283	430,658
		481,283	430,658
<b>Financial assets at amortised cost</b>			
Self-supporting loans		356,646	306,021
		356,646	306,021
<b>Financial assets at fair value through profit and loss</b>			
Units in Local Government House Trust		124,637	124,637
		124,637	124,637
		124,637	124,637

Loans receivable from clubs/institutions have the same terms and conditions as the related borrowing disclosed in Note 17(a) as self-supporting loans.

#### **SIGNIFICANT ACCOUNTING POLICIES**

Other financial assets at amortised cost

The City classifies financial assets at amortised cost if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Financial assets at fair value through profit and loss

The City classifies the following financial assets at fair value through profit and loss:

- Debt investments which do not qualify for measurement at either amortised cost or fair value through other comprehensive income.
- Equity investments which the City has not elected to recognise fair value gains and losses through other comprehensive income.

#### **Impairment and risk**

Information regarding impairment and exposure to risk can be found at Note 27.

FINANCIAL REPORT  
for the year ended 30 June 2021

Notes to and forming part of the Financial Report

	<b>2021 Actual \$</b>	<b>2020 Actual \$</b>
<b>6. Trade and Other Receivables</b>		
<b>Current</b>		
Rates Outstanding	1,458,200	2,225,277
Rates Outstanding – Pensioners	22,432	23,341
Sundry Debtors	1,612,352	1,481,021
GST Receivable	700,753	641,392
	3,793,737	4,371,031
<b>Non-Current</b>		
Rates Outstanding – Pensioners	327,669	339,168
Sundry Debtors	66,115	72,887
	393,784	412,055

#### SIGNIFICANT ACCOUNTING POLICIES

##### Trade and other receivables

Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for goods sold and services performed in the ordinary course of business.

Trade receivables are recognised at original invoice amount less any allowances for uncollectible amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

##### Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 27.

##### Classification and subsequent measurement

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade receivables are held with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest rate method.

Due to the short term nature of current receivables, their carrying amount is considered to be the same as their fair value. Non-current receivables are indexed to inflation, any difference between the face value and fair value is considered immaterial.

	<b>2021 Actual \$</b>	<b>2020 Actual \$</b>
<b>7. Inventories</b>		
<b>Current</b>		
Materials	936,902	25,802
	936,902	25,802
The following movements in inventories occurred during the year:		
Balance at beginning of year	25,802	24,981
Adjustment to inventory (a)	643,164	0
Inventories expensed during the year	(195,566)	(8,438)
Additions to inventory	463,502	9,259
Balance at end of year	936,902	25,802

(a) Adjustment of \$643,164 was processed during the year to recognise additional inventory as identified by management during the year.

**SIGNIFICANT ACCOUNTING POLICIES**

**General**

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

**8. Other Assets and Non-Current Assets Held for Sale**

	<b>2021 Actual \$</b>	<b>2020 Actual \$</b>
<b>(a) Other Assets</b>		
Prepayments	197,380	212,924
<b>(b) Non-Current Assets Held for Sale</b>		
Land (a)	2,035,508	0

(a) During the year, the City sought an expression of interest for the disposal of Lots 58 and 59 Chapman Hill Road and Lot 60 Queen Elizabeth Avenue, Ambergate. A buyer had shown interest in the properties and a local public notice of the proposed sale of lands has been advertised in accordance with section 3.58(3) of the Local Government Act.

**SIGNIFICANT ACCOUNTING POLICIES**

**Other current assets**

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

**Non-Current Assets Held for Sale**

Assets are classified as held for sale where the carrying amount will be recovered through a sale rather than continuing use and the asset is available for immediate sale with a sale being highly probable.

9. Property, Plant and Equipment  
Movements in Balances

Movement in the balances of each class of property, plant and equipment between the beginning and the end of the current financial year.

	Land	Buildings- non-specialised	Buildings- specialised	Furniture and equipment	Plant and equipment	Total
Balance at 1 July 2019	52,992,291	45,344,303	27,487,322	3,084,411	15,425,356	144,333,683
Correction of prior period error (Note 33)	(582,480)	(8,602,685)	0	0	0	(9,185,165)
<b>Restated balance at 1 July 2019</b>	<b>52,409,811</b>	<b>36,741,618</b>	<b>27,487,322</b>	<b>3,084,411</b>	<b>15,425,356</b>	<b>135,148,518</b>
Derecognition of asset due to finance lease	0	(1,057,875)	0	0	0	(1,057,875)
Additions	75,917	2,869,109	3,321,453	751,476	4,032,235	11,050,190
(Disposals)	(2,519,000)	(287,313)	(221,290)	0	(596,598)	(3,624,201)
Depreciation (expense)	0	(1,335,040)	(1,211,292)	(322,080)	(2,326,311)	(5,194,723)
Donated Assets	0	0	162,909	456,798	474,654	1,094,361
Balance at 30 June 2020	49,966,728	36,930,499	29,539,102	3,970,605	17,009,336	137,416,270
<b>Comprises:</b>						
Gross balance amount at 30 June 2020	49,966,728	42,074,394	33,051,303	4,292,685	19,228,115	148,613,225
Accumulated depreciation at 30 June 2020	0	(5,143,895)	(3,512,201)	(322,080)	(2,218,779)	(11,196,955)
<b>Balance at 30 June 2020</b>	<b>49,966,728</b>	<b>36,930,499</b>	<b>29,539,102</b>	<b>3,970,605</b>	<b>17,009,336</b>	<b>137,416,270</b>
Additions	4,028	1,497,651	2,063,050	568,322	1,263,821	5,396,872
Transfers to held for sale	(2,035,508)	0	0	0	0	(2,035,508)
(Disposals)	0	0	(1,452)	(33,550)	(566,734)	(601,736)
Depreciation (expense)	0	(1,420,854)	(1,358,740)	(521,978)	(2,270,796)	(5,572,368)
Donated Assets	0	0	110,000	59,231	10,592	179,823
Other Adjustments (a)	0	430,000	0	0	0	430,000
<b>Balance at 30 June 2021</b>	<b>47,935,248</b>	<b>37,437,296</b>	<b>30,351,960</b>	<b>4,042,630</b>	<b>15,446,219</b>	<b>135,213,353</b>
<b>Comprises:</b>						
Gross balance amount at 30 June 2021	47,935,248	44,613,399	35,222,753	4,877,748	19,731,257	152,380,405
Accumulated depreciation at 30 June 2021	0	(7,176,103)	(4,870,793)	(835,118)	(4,285,038)	(17,167,052)
<b>Balance at 30 June 2021</b>	<b>47,935,248</b>	<b>37,437,296</b>	<b>30,351,960</b>	<b>4,042,630</b>	<b>15,446,219</b>	<b>135,213,353</b>

(a) Relates to the provision for building claddings



9. Property, Plant and Equipment (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of last Valuation	Inputs Used
(i) Fair Value					
Land & Buildings Freehold land	2	Market approach using recent observable market data for similar properties.	Independent Registered Valuer.	June 2017	Price per hectare / market borrowing rate.
Non-Specialised Buildings	3	Cost approach using depreciated replacement cost.	Independent Registered Valuer.	June 2017	Construction costs (level 2) and current condition (level 3), residual values and remaining useful life assessment's (level 3) inputs.
Specialised Buildings	2	Market approach using recent observable market data for similar properties.	Independent Registered Valuer.	June 2017	Price per square meter / market borrowing rate

Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.

During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.

(ii) Furniture and Equipment	Cost	Purchase cost
Plant & Equipment	Cost	Purchase cost

Following a change to Local Government (Financial Management) Regulation 17A, plant and equipment type assets (being plant and equipment and furniture and equipment) are to be measured under the cost model, rather than at fair value. This change was effective from 1 July 2019 and represented a change in accounting policy. Revaluations carried out previously were not reversed as it was deemed fair value approximated cost at the date of change.

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for the year ended 30 June 2021

Notes to and forming part of the Financial Report

**10. Infrastructure Movements in Balances**  
(a) Movement in the balances of each class of Infrastructure between the beginning and the end of the current financial year.

	Roads	Bridges	Car Parks	Drainage	Other Infrastructure	Total
Balance at 1 July 2019	293,692,672	37,091,387	8,985,990	57,274,874	167,671,069	564,715,992
Additions	10,750,367	300,000	883,218	150,535	6,884,582	18,968,702
(Disposals)	0	0	(60,056)	0	0	(60,056)
Impairment (losses)	0	(1,478,109)	0	0	0	(1,478,109)
Depreciation (expense)	(5,968,409)	(733,154)	(385,972)	(829,168)	(9,208,962)	(17,125,665)
Donated Assets	835,898	0	0	273,084	2,278,725	3,387,707
Balance at 30 June 2020	299,310,528	35,180,124	9,423,180	56,869,325	167,625,414	568,408,571
<b>Comprises:</b>						
Gross balance amount at 30 June 2020	311,077,826	36,646,432	10,123,811	58,491,337	185,434,345	601,773,751
Accumulated depreciation at 30 June 2020	(11,767,298)	(1,466,308)	(700,631)	(1,622,012)	(17,808,931)	(33,365,180)
<b>Balance at 30 June 2020</b>	299,310,528	35,180,124	9,423,180	56,869,325	167,625,414	568,408,571
Additions	13,326,324	4,871	621,792	55,293	8,048,436	22,056,716
Transfers	(3,472,083)	3,472,083	0	0	0	0
(Disposals)	0	0	0	0	(419,061)	(419,061)
Depreciation (expense)	(6,128,488)	(794,778)	(364,942)	(835,271)	(10,414,366)	(18,537,845)
Donated Assets	3,666,283	0	816,606	2,804,822	1,956,797	9,244,508
<b>Balance at 30 June 2021</b>	306,702,564	37,862,300	10,496,636	58,894,169	166,797,220	580,752,889
<b>Comprises:</b>						
Gross balance amount at 30 June 2021	324,598,350	40,688,674	11,562,208	61,351,453	195,015,955	633,216,640
Accumulated depreciation at 30 June 2021	(17,895,786)	(2,826,374)	(1,065,572)	(2,457,284)	(28,218,735)	(52,463,751)
<b>Balance at 30 June 2021</b>	306,702,564	37,862,300	10,496,636	58,894,169	166,797,220	580,752,889

10. Infrastructure (Continued)

(b) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of last Valuation	Inputs Used
Roads	3	Cost approach using depreciated replacement cost.	Management valuation.	June 2018	Construction costs (level 2) and current condition (level 3), residual values and remaining useful life assessments (level 3) inputs.
Bridges	3	Cost approach using depreciated replacement cost.	Management valuation.	June 2018	Construction costs (level 2) and current condition (level 3), residual values and remaining useful life assessments (level 3) inputs.
Car Parks	3	Cost approach using depreciated replacement cost.	Management valuation.	June 2018	Construction costs (level 2) and current condition (level 3), residual values and remaining useful life assessments (level 3) inputs.
Drainage	3	Cost approach using depreciated replacement cost.	Management valuation.	June 2018	Construction costs (level 2) and current condition (level 3), residual values and remaining useful life assessments (level 3) inputs.
Other Infrastructure	3	Cost approach using depreciated replacement cost.	Management valuation.	June 2018	Construction costs (level 2) and current condition (level 3), residual values and remaining useful life assessments (level 3) inputs.

Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.

During the period there were no changes in the valuation techniques used to determine the fair value of infrastructure using level 3 inputs.

## 11. Fixed Assets

### SIGNIFICANT ACCOUNTING POLICIES

#### Fixed assets

Each class of fixed assets within either property, plant and equipment or infrastructure, is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

#### Initial Recognition and measurement

Assets for which the fair value as at the date of acquisition is under \$5,000 are not recognised as an asset in accordance with Financial Management Regulation 17A (5). These assets are expensed immediately.

Where multiple individual low value assets are purchased together as part of a larger asset or collectively forming a larger asset exceeding the threshold, the individual assets are recognised as one asset and capitalised.

In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at zero cost or otherwise significantly less than fair value, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the City includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Individual assets that are land, buildings and infrastructure acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework, are recognised at cost and disclosed as being at fair value as management believes cost approximates fair value. They are subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework.

#### Revaluation

The fair value of land, buildings and infrastructure is determined at least every five years in accordance with the regulatory framework. This includes buildings and infrastructure items which were pre-existing improvements (i.e. vested improvements) on vested land acquired by the City. At the end of each period the valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with Local Government (Financial Management) Regulation 17A (2) which requires land, buildings, and infrastructure, and vested improvements to be shown at fair value.

#### Revaluation (Continued)

Increases in the carrying amount arising on revaluation of assets are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same class of asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

#### Land under roads from 1 July 2019

As a result of amendments to the Local Government (Financial Management) Regulations 1996, effective from 1 July 2019, vested land, including land under roads, is treated as right-of-use assets measured at zero cost. Therefore, the previous inconsistency with AASB 1051 in respect of non-recognition of land under roads acquired on or after 1 July 2008 has been removed, even though measurement at zero cost means that land under roads is still not included in the statement of financial position.

#### Australian Accounting Standards – Inconsistency Vested improvements from 1 July 2019

The measurement of vested improvements at fair value in accordance with Local Government (Financial Management) Regulation 17A(2)(iv) is a departure from AASB 16 which would have required the City to measure the vested improvements as part of the related right-of-use assets at zero cost.

Refer to Note 12 that details the significant accounting policies applying to leases (including ROU assets).

### 11. Fixed Assets (Continued)

#### (a) Disposals of Assets – 2020/21 Financial Year

The following assets were disposed of during the year:

##### By Function/Activity:-

	Net Book Value		Sale Price		Net Profit / (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
General Purpose Funding	0	0	0	0	0	0
Governance	118,051	107,000	119,144	107,000	1,093	0
Law, Order, Public Safety	89,000	46,000	27,954	40,000	(61,046)	(6,000)
Health	16,000	16,000	17,670	17,000	1,670	1,000
Education and Welfare	0	0	0	0	0	0
Housing	0	0	0	0	0	0
Community Amenities	259,500	316,893	313,842	264,000	54,342	(52,893)
Recreation and Culture	67,786	66,059	92,155	66,500	24,369	441
Transport	433,761	85,028	23,352	55,000	(410,409)	(30,028)
Economic Services	1,000	0	4,254	0	3,254	0
Other Property & Services	35,700	16,000	49,146	32,000	13,446	16,000
	1,020,798	652,980	647,517	581,500	(373,281)	(71,480)

##### By Asset Class:-

	Net Book Value		Sale Price		Net Profit / (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Land and Buildings	1,452	0	0	0	(1,452)	0
Plant and Equipment	566,734	652,980	647,517	581,500	80,783	(71,480)
Furniture and Fittings	33,551	0	0	0	(33,551)	0
Infrastructure	419,061	0	0	0	(419,061)	0
	1,020,798	652,980	647,517	581,500	(373,281)	(71,480)

	2021 Actual \$	2021 Budget \$	2020 Actual \$
<b>(b) Depreciation</b>			
Buildings	2,779,595	3,047,490	2,546,332
Furniture and Fittings	521,978	816,350	322,089
Plant and Equipment	2,270,796	2,216,020	2,326,311
Infrastructure - Roads	6,128,488	6,411,723	5,968,409
Infrastructure - Bridges	794,778	736,280	733,154
Infrastructure - Car Parks	364,942	357,947	385,972
Infrastructure - Stormwater Drainage	835,271	857,464	829,168
Infrastructure - Other	10,414,366	9,069,450	9,208,962
Right of Use Assets – Furniture and Equipment	496,787	537,350	537,350
	24,607,001	24,050,074	22,857,747

**11. Fixed Assets (Continued)**

**(b) Depreciation (Continued)**

**SIGNIFICANT ACCOUNTING POLICIES**

**Depreciation**

The depreciable amount of all fixed assets including buildings but excluding freehold land and vested land, are depreciated on a straight-line basis over the individual asset’s useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income in the period in which they arise.

**Depreciation rates**

Typical estimated useful lives for the different asset classes for the current and prior years are included in the table below:

Buildings	10 - 40	Years
Furniture and Equipment	5 - 10	Years
Plant and Equipment	3 – 25	Years

**Infrastructure:**

Roads	Up to 60	Years
Bridges	40 - 60	Years
Car Parks	20 - 40	Years
Footpaths & Cycle ways	20 - 45	Years
Parks, Gardens & Reserves & Community Facilities	5 - 50	Years
Drainage	80	Years
Regional Airport & Industrial Park	10 - 40	Years

**Depreciation on revaluation**

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is treated in one of the following ways:

- a) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset. For example, the gross carrying amount may be restated by reference to observable market data or it may be restated proportionately to the change in the carrying amount. The accumulated depreciation at the date of the revaluation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses; or
- b) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

**Amortisation**

All intangible assets with a finite useful life, are amortised on a straight-line basis over the individual asset’s useful life from the time the asset is held for use.

The residual value of intangible assets is considered to be zero and the useful life and amortisation method are reviewed at the end of each financial year.

Amortisation is included within Depreciation on non-current assets in the Statement of Comprehensive Income and in the note above.

## 12. Leases

### (a) Right of use assets

Movement in the balance of each class of right-of-use asset between the beginning and end of the current financial year.

	<b>Right of use assets – Furniture and Equipment \$</b>	<b>Right of use assets - Total \$</b>
Balance at 1 July 2019	1,845,464	1,845,464
Additions	0	0
Depreciation (expense)	(537,350)	(537,350)
<b>Balance at 30 June 2020</b>	<b>1,308,114</b>	<b>1,308,114</b>
Additions	0	0
Depreciation (expense)	(496,787)	(496,787)
<b>Balance at 30 June 2021</b>	<b>811,327</b>	<b>811,327</b>

(b) The following amounts were recognised in the statement of comprehensive income during the period in respect of leases where the entity is the lessee:

	<b>2021 Actual \$</b>	<b>2020 Actual \$</b>
Depreciation expense on right of use assets	(496,787)	(537,350)
Interest expense on lease liabilities	(49,434)	(72,014)
<b>Total amount recognised in the statement of comprehensive income</b>	<b>(546,221)</b>	<b>(609,364)</b>

(c) Total cash outflow from leases (548,268) (593,911)

## SIGNIFICANT ACCOUNTING POLICIES

### Leases

At inception of a contract, the City assesses if the contract contains or is a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the commencement date, a right-of-use asset is recognised at cost and lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the City uses its incremental borrowing rate. Refer to Note 16 for lease liabilities

All contracts that are classified as short-term leases (i.e. a lease with a remaining term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Leases for right-of-use assets are secured over the asset being leased.

### Right-of-use assets – valuation

Right-of-use assets are measured at cost. This means that all right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost (i.e. not included in the statement of financial position). The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which are reported at fair value.

Refer to Note 11 for details on the significant accounting policies applying to vested improvements.

### Right-of-use assets – depreciation

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the City anticipates to exercise a purchase option, the specific asset is amortised over the useful life of the underlying asset.

## 12. Leases (Continued)

### (d) Property subject to lease

The table below represents a maturity analysis of the undiscounted lease payments to be received after the reporting date.

	<b>2021</b> <b>Actual</b> <b>\$</b>	<b>2020</b> <b>Actual</b> <b>\$</b>
Less than 1 year	1,224,369	1,244,227
1 to 2 years	1,161,326	1,224,369
2 to 3 years	1,103,638	1,161,326
3 to 4 years	1,057,043	1,103,638
4 to 5 years	1,032,275	1,057,043
> 5 years	28,555,245	29,599,116
	<b>34,133,896</b>	<b>35,389,719</b>

The City leases properties to external parties with rentals payable monthly. These leases are classified as operating leases as they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

### SIGNIFICANT ACCOUNTING POLICIES

#### The City as Lessor

Upon entering into each contract as a lessor, the City assesses if the lease is a finance or operating lease.

The contract is classified as a finance lease when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases not within this definition are classified as operating leases. Rental income received from operating leases is recognised on a straight-line basis over the term of the specific lease.

Initial direct costs incurred in entering into an operating lease (e.g. legal cost, cost to setup) are included in the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

When a contract is determined to include lease and non-lease components, the City applies AASB 15 to allocate the consideration under the contract to each component.



13. Revaluation Surplus	2021 Actual \$	2020 Actual \$
<b>Land and Buildings</b>		
Opening Balance	46,409,353	56,801,847
Revaluation Increment	0	0
Revaluation Decrement	0	0
Revaluation Adjustment (Note 33)	0	(10,392,494)
	<u>46,409,353</u>	<u>46,409,353</u>
<b>Furniture &amp; Fittings</b>		
Opening Balance	797,333	797,333
Revaluation Increment	0	0
Revaluation Decrement	0	0
	<u>797,333</u>	<u>797,333</u>
<b>Plant and Equipment</b>		
Opening Balance	840,738	840,738
Revaluation Increment	0	0
Revaluation Decrement	0	0
	<u>840,738</u>	<u>840,738</u>
<b>Roads</b>		
Opening Balance	122,047,036	122,047,036
Revaluation Increment	0	0
Revaluation Decrement	0	0
	<u>122,047,036</u>	<u>122,047,036</u>
<b>Bridges</b>		
Opening Balance	23,461,409	24,939,518
Revaluation Increment	0	0
Revaluation Decrement	0	0
Impairment loss (Note 33)	0	(1,478,109)
	<u>23,461,409</u>	<u>23,461,409</u>
<b>Car Parks</b>		
Opening Balance	5,314,676	5,314,676
Revaluation Increment	0	0
Revaluation Decrement	0	0
	<u>5,314,676</u>	<u>5,314,676</u>
<b>Drainage</b>		
Opening Balance	14,102,455	14,102,455
Revaluation Increment	0	0
Revaluation Decrement	0	0
	<u>14,102,455</u>	<u>14,102,455</u>
<b>Other Infrastructure</b>		
Opening Balance	11,352,697	11,352,697
Revaluation Increment	0	0
Revaluation Decrement	0	0
	<u>11,352,697</u>	<u>11,352,697</u>
<b>All Asset Classes</b>		
Opening Balance	224,325,697	236,196,300
Revaluation Increment	0	0
Revaluation Decrement	0	0
Revaluation Adjustment	0	(10,392,494)
Impairment loss	0	(1,478,109)
Total Assets Revaluation Surplus	<u>224,325,697</u>	<u>224,325,697</u>

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	<b>2021 Actual \$</b>	<b>2020 Actual \$</b>
<b>14. Trade and Other Payables</b>		
<b>Current</b>		
Sundry Creditors	5,871,565	4,603,098
Prepaid Rates	894,244	741,686
Deposits and Bonds	3,424,482	2,465,476
Accrued Expenses	930,968	173,375
	<u>11,121,259</u>	<u>7,983,635</u>

**SIGNIFICANT ACCOUNTING POLICIES**

**Trade and other payables**

Trade and other payables represent liabilities for goods and services provided to the City prior to the end of the financial year that are unpaid and arise when the City becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition.

**Prepaid rates**

Prepaid rates are, until the taxable event has occurred (start of the next financial year), refundable at the request of the ratepayer. Rates received in advance are initially recognised as a financial liability. When the taxable event occurs, the financial liability is extinguished and the City recognises revenue for the prepaid rates that have not been refunded.

	<b>2021 Actual \$</b>	<b>2020 Actual \$</b>
<b>15. Contracts/ Grant Liabilities</b>		
<b>15.1 Contract Liabilities</b>		
Current	2,521,219	2,611,824
Non-current	7,888,354	7,566,720
	<u>10,409,573</u>	<u>10,178,544</u>
<b>15.1.1 Movement in contract liabilities</b>		
<b>Reconciliation of changes in contract liabilities</b>		
Opening balance	10,178,544	12,018,386
Additions	1,704,601	678,490
Revenue recognised in the reporting period	(1,473,572)	(2,518,332)
<b>Balance at end of period</b>	<u>10,409,573</u>	<u>10,178,544</u>
<b>15.1.2 Expected satisfaction of contract liabilities</b>		
<b>Income recognition</b>		
1 year	2,521,219	2,611,824
1 to 5 years	2,890,444	1,855,063
Over 5 years	4,997,910	5,711,657
	<u>10,409,573</u>	<u>10,178,544</u>

<b>15</b>	<b>Contracts/ Grant Liabilities (Continued)</b>		
		<b>2021</b>	<b>2020</b>
		<b>Actual</b>	<b>Actual</b>
		<b>\$</b>	<b>\$</b>
<b>15.2</b>	<b>Grant Liabilities</b>		
	Current	988,563	2,298,073
	Non-current	4,276,558	2,250,217
		<b>5,265,121</b>	<b>4,548,290</b>
<b>15.2.1</b>	<b>Movement in grant liabilities</b>		
	<b>Reconciliation of changes in contract liabilities</b>		
	Opening balance	4,548,290	5,699,606
	Additions	5,171,084	1,726,819
	Revenue recognised in the reporting period	(4,454,253)	(2,878,135)
	<b>Balance at end of period</b>	<b>5,265,121</b>	<b>4,548,290</b>
<b>15.2.2</b>	<b>Expected satisfaction of grant liabilities</b>		
	<b>Income recognition</b>		
	1 year	988,563	2,298,073
	1 to 5 years	4,276,558	2,250,217
	Over 5 years	0	0
		<b>5,265,121</b>	<b>4,548,290</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Contract liabilities**

Contract liabilities represent the City's obligation to transfer goods or services to a customer for which the City has received consideration from the customer.

With respect to transfers for recognisable non-financial assets, contract liabilities represent performance obligations which are not yet satisfied.

Contract liabilities are recognised as revenue when the performance obligations in the contract are satisfied.

**Grant Liabilities**

Grant liabilities represent the City's performance obligations to construct recognisable non-financial assets to identified specifications which are yet to be satisfied.

Grant liabilities are recognised as revenue when the performance obligations in the contract are satisfied.

**16. Lease Liabilities**

		<b>2021</b>	<b>2020</b>
		<b>Actual</b>	<b>Actual</b>
		<b>\$</b>	<b>\$</b>
<b>Lease Liabilities</b>			
	Current	492,042	500,767
	Non-current	439,461	900,849
		<b>931,503</b>	<b>1,401,617</b>

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17. Information on Borrowings

(a)	Borrowings Particulars	Borrowing Institution	Int. %	Maturity Date	Principal 1 July 2020		New Loans		Principal Repayment		Principal		Interest Repayment	
					Budget	Actual	Budget	Actual	2020/21 Budget	2020/21 Actual	2020/21 Budget	2020/21 Actual		
C	<b>Administration</b> Loan #207 Civic and Administration Centre	WATC	4.51	06/34	14,110,787	0	0	740,881	740,881	13,369,906	13,369,906	623,983	623,893	
S	Loan #199 Busselton Bowling Club	WATC	5.98	12/20	10,108	0	0	10,108	10,108	0	0	227	226	
C	Loan #202 Geothermal Heating GLC	WATC	3.98	06/23	182,970	0	0	58,591	58,591	124,379	124,379	6,415	6,408	
C	Loan #204 Busselton Foreshore	WATC	4.36	06/29	746,297	0	0	69,282	69,282	677,015	677,015	31,416	31,408	
S	Loan #205 GLC Extensions	WATC	3.92	06/24	538,676	0	0	126,894	126,894	411,782	411,782	19,252	19,252	
C	Loan #208 Busselton Football & Sportsman's Club	WATC	2.93	04/25	15,718	0	0	2,963	2,963	12,755	12,755	428	428	
C	Loan #209 Busselton Foreshore	WATC	3.56	06/27	4,141,640	0	0	530,648	530,648	3,610,992	3,610,992	140,411	140,359	
S	Loan #211 Busselton Foreshore	WATC	2.55	10/24	1,762,184	0	0	374,365	374,365	1,387,819	1,387,819	41,375	39,766	
S	Loan #212 Dunsborough and Districts Country	WATC	3.04	05/27	83,333	0	0	10,855	10,855	72,478	72,478	2,451	2,398	
S	Loan #213 Geographe Bay Yacht Club	WATC	3.04	09/27	73,099	0	0	9,522	9,522	63,577	63,577	2,150	2,103	
S	Loan #214 Dunsborough & Districts Country Club	WATC	3.19	09/27	85,674	0	0	10,283	10,283	75,391	75,391	2,652	2,567	
C	Loan #215 Busselton Foreshore Jetty Precinct	WATC	3.25	04/28	2,062,315	0	0	229,656	229,656	1,832,659	1,832,659	65,174	63,849	
C	Loan #216 Tennis Club Facilities	WATC	3.25	04/28	2,268,547	0	0	252,621	252,621	2,015,926	2,015,926	71,692	70,234	
C	Loan #217 Lot 10 Commonage Road	WATC	3.25	04/28	1,319,882	0	0	146,980	146,980	1,172,902	1,172,902	41,712	40,863	
C	Loan #218 Busselton Tennis Club	WATC	2.21	06/29	1,140,599	0	0	115,851	115,851	1,024,748	1,024,748	24,252	24,245	
S	Loan #220 Busselton Tennis Club	WATC	1.37	09/26	44,816	0	0	6,916	6,916	37,900	37,900	579	578	
S	Loan #221 Busselton Hockey Club Stadium	WATC	1.31	06/30	45,000	0	0	4,181	4,181	40,819	40,819	634	570	
C	Loan #NEW Performing Arts/Convention Centre	Unknown	2.20	06/41	0	7,500,000	0	150,184	150,184	0	0	82,088	0	
S	Loan #222 Busselton Golf Club	WATC	1.45	06/31	0	200,000	110,000	9,215	9,215	190,785	110,000	1,680	130	
	<b>Transport</b>													
C	Loan #203 Land Acquisition for Parking	WATC	4.19	09/21	196,591	0	0	156,449	156,449	40,142	40,142	5,800	5,782	
C	Loan #206 Airport Jet A1 Installation	WATC	3.92	06/24	157,114	0	0	37,011	37,011	120,103	120,103	5,619	5,615	
C	Loan #219 Air Freight Hub Stage 1	WATC	2.21	06/29	1,350,469	0	0	137,168	137,168	1,213,301	1,213,301	28,714	28,706	
S	<b>Economic Services</b> Loan #201 Geographe Bay Tourism Association	WATC	4.76	09/21	15,140	0	0	12,039	12,038	3,101	3,102	508	506	
C	<b>Other Property and Services</b> Loan #210 Lot 40 Vasse Highway	WATC	3.61	12/25	850,000	0	0	0	0	850,000	850,000	30,685	30,685	
	Total - Council and Self-supporting Loans				<b>31,200,959</b>	<b>7,700,000</b>	<b>110,000</b>	<b>3,202,663</b>	<b>3,043,263</b>	<b>35,698,296</b>	<b>28,267,696</b>	<b>1,229,911</b>	<b>1,140,572</b>	

C	Council Loans are financed by general purpose revenue.				30,828,071	7,500,000	0	3,126,581	2,976,396	35,201,490	27,851,675	1,218,602	1,131,066
S	Self-Supporting Loans are financed by payments from third parties.				372,888	200,000	110,000	76,082	66,867	496,806	416,021	11,309	9,506
					<b>31,200,959</b>	<b>7,700,000</b>	<b>110,000</b>	<b>3,202,663</b>	<b>3,043,263</b>	<b>35,698,296</b>	<b>28,267,696</b>	<b>1,229,911</b>	<b>1,140,572</b>

17. Information on Borrowings (continued)

(b) New Borrowings – 2020/21

Particulars / Purpose	Amount Borrowed		Institution	Loan Type	Term (Years)	Total Interest & Charges	Interest Rate %	Amount Used		Balance Unspent
	Actual \$	Budget \$						Actual \$	Budget \$	
Loan #NEW Performing Arts/Convention Centre	0	7,500,000	Unknown	Debenture	20	0	2.20%	0	7,500,000	0
Loan #222 Busselton Golf Club	110,000	200,000	WATC	Debenture	10	8,501	1.45%	110,000	200,000	0
	<b>110,000</b>	<b>7,700,000</b>				<b>8,501</b>		<b>110,000</b>	<b>7,700,000</b>	<b>0</b>

(c) Unspent Borrowings

Particulars / Purpose	Date Borrowed	Balance 01 July 2020		Borrowed During Year		Expended During Year		Balance 30 June 2021	
		\$	\$	\$	\$	\$	\$	\$	\$
Loan #206 Airport Jet A1 Installation	27 <sup>th</sup> May 2014	4,008	0	0	4,008	0	0	0	0
Loan #216 Tennis Club Facilities	27 <sup>th</sup> April 2018	88,604	0	0	39,263	49,341	49,341	49,341	0
		<b>92,612</b>	<b>0</b>	<b>0</b>	<b>43,271</b>	<b>49,341</b>	<b>49,341</b>	<b>49,341</b>	<b>0</b>

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	2021 Actual \$	2020 Actual \$
<b>17. Information on Borrowings (continued)</b>		
<b>(d) Undrawn Borrowing Facilities</b>		
<b>Credit Standby Arrangements</b>		
Electronic Payaway Facility	850,000	850,000
Electronic Payaway Facility at Balance Date	0	0
Credit card limit	50,000	50,000
Credit card balance at balance date	(22,384)	0
<b>Total amount of credit unused</b>	877,616	900,000
<b>Loan facilities</b>		
Loan facilities - current	3,020,442	3,043,263
Loan facilities - non-current	25,247,254	28,157,696
<b>Total facilities in use at balance date</b>	28,267,696	31,200,959

**SIGNIFICANT ACCOUNTING POLICIES**

**Financial liabilities**

Financial liabilities are recognised at fair value when the City becomes a party to the contractual provisions to the instrument.

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of the consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

**Borrowing costs**

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset until such time as the asset is substantially ready for its intended use or sale.

**Risk**

Information regarding exposure to risk can be found at Note 27.

**18(a) Employee Related Provisions**

	Provision for Annual Leave	Provision for Long Service Leave	Provision for Sick Leave	Total
	\$	\$	\$	\$
<b>Opening balance at 1 July 2020</b>				
Current	2,276,467	2,816,438	144,632	5,237,538
Non-Current	0	665,671	0	665,671
	2,276,467	3,482,109	144,632	5,903,208
Additional Provisions	1,948,381	825,334	1,602	2,775,317
Amounts Used	(1,980,086)	(440,280)	(39,993)	(2,460,359)
<b>Balance 30 June 2021</b>	2,244,762	3,867,163	106,241	6,218,166
<b>Comprises</b>				
Current Provisions	2,244,762	3,151,678	106,241	5,502,681
Non-current Provisions	0	715,485	0	715,485
	2,244,762	3,867,163	106,241	6,218,166

**18(b) Other Provisions**

	2021 Actual	2020 Actual
	\$	\$
Other Provisions (a)	430,000	0
(a) Relates to the provision for building claddings.		

**SIGNIFICANT ACCOUNTING POLICIES**

**Employee benefits**

The City's obligations for employees annual leave and long service leave entitlements are recognised as provisions in the statement of financial position

**Short-term employee benefits**

Provision is made for the City's obligations for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled. The City's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position.

**Other long-term employee benefits**

Long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference

**Other long-term employee benefits (Continued)**

to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any re-measurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The City's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the City does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

**Provisions**

Provisions are recognised when the City has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

## 19. Notes to the Statement of Cash Flows

### Reconciliation of Cash

For the purposes of the Statement of Cash Flows, cash includes cash and cash equivalents, net of outstanding bank overdrafts. Cash at the end of the reporting period is reconciled to the related items in the Statement of Financial Position as follows:

	<b>2021 Actual \$</b>	<b>2021 Budget \$</b>	<b>2020 Actual \$</b>
Cash and Cash Equivalents	17,108,235	53,263,723	20,001,304
<b>Reconciliation of Net Cash Provided By Operating Activities to Net Result</b>			
Net Result	22,084,651	20,083,936	18,884,036
Non-cash flows in Net result:			
Depreciation	24,607,001	24,050,074	22,857,747
(Profit) / Loss on Sale of Asset	373,281	71,480	463,254
Gain on Finance Sublease	(2,786,007)	0	(3,902,773)
Non-Cash Contributions	(9,424,331)	(6,597,200)	(4,482,078)
Changes in assets and Liabilities:			
(Increase) / Decrease in Receivables	1,563,660	129,349	(941,682)
(Increase) / Decrease in Inventories	(911,100)	0	(821)
Increase / (Decrease) in Payables	2,082,272	(108,743)	297,876
Increase / (Decrease) in Employee Provisions	314,956	0	661,185
Non-operating Grants and Contributions for the Development of Assets	(11,003,346)	(22,493,654)	(14,074,542)
<b>Net Cash from Operating Activities</b>	<b>26,901,038</b>	<b>15,135,242</b>	<b>19,762,202</b>

## 20. Total Assets Classified by Function and Activity

	<b>2021 Actual \$</b>	<b>2020 Actual \$</b>
General Purpose Funding	2,866,923	4,732,364
Governance	26,855,109	25,607,346
Law, Order & Public Safety	5,620,228	5,769,117
Health	234,958	226,974
Education and Welfare	518,309	566,225
Housing	7,183,897	7,322,343
Community Amenities	44,927,595	40,631,869
Recreation and Culture	145,470,624	142,870,854
Transport	532,491,054	521,549,729
Economic Services	3,559,268	3,107,934
Other Property and Services	12,287,684	9,534,800
Unallocated	29,685,016	26,269,393
	<b>811,700,665</b>	<b>788,188,949</b>



## **21. Contingent Liabilities**

### **21.1 Busselton Waste Transfer Station - Contamination Investigation**

The City of Busselton operates the Rendezvous Road Waste Transfer Station from lots 500 and 27 Rendezvous Road, Vasse (Busselton Waste Transfer Site). The quality of groundwater at and in an area to the north of the Busselton Waste Transfer Site has reduced as a result of legacy issues from the use of this site as a former landfill facility, and also potentially from other historical uses in the area. Groundwater in the area has shown levels of hydrocarbons, metals, nutrients and PFAS above background levels.

The City is required to undertake investigations in respect to these legacy issues in accordance with the statutory framework under the Contaminated Sites Act 2003 (WA). The City's investigations have been ongoing for a number of years and are conducted by qualified consultants, reviewed by an independent accredited Contaminated Sites Auditor and advised to DWER. DWER has, pursuant to the Contaminated Sites Act, the power to classify a site if, based on relevant guidelines, currently accepted industrial standards or any other information, there are reasonable grounds to do so. During this period a number of sites within the investigation area have been classified by DWER.

The nature and extent of these legacy groundwater issues have been determined with a reasonable level of certainty, and relevant information has been provided to the Contaminated Sites Auditor and DWER. DWER indicated that they are in process of assessing this information and reviewing current property classifications, noting the change in risk profile with the availability of scheme water at affected properties. DWER further indicated that, as part of this review, existing restrictions on use of groundwater could be removed or revised. DWER's final decision in relation to restrictions on use of groundwater in this area (and subsequent classification or re-classification of affected properties), could impact on the value of affected properties (DWER Final Decision). These impacts can only be assessed and, if applicable, quantified, once the DWER Final Decision has been made. It is expected that the DWER Final Decision will be made in the third quarter of 2021. By that stage the City should, depending on the issue of liability, be in a position to consider options for long term remediation and/or mitigation solutions.

Depending on the outcome of the DWER Final Decision the City may incur a certain level of liability in respect of remedial action and/or claims for compensation. Due to complex scientific, operational and legal issues impacting on this matter, it is not reasonably possible to determine at this stage the City's potential liability (if any). Therefore:

- It is not practicable to make at this stage an estimate of the financial effect of or determine the amount or timing of any outflow associated with the contamination issues associated with the Busselton Waste Transfer Site; and
- Disclosure of further information in relation to the potential financial effect of these contamination issues could prejudice the City's position in any resulting dispute with affected landowners.

### **21.2 Claim for Damages by Unsuccessful Tenderer pursuant to RFT11/19**

An unsuccessful tenderer (Plaintiff) instituted legal action against the City of Busselton, claiming \$1.2 million damages based on breach of "process contract" resulting from RFT11/19. The City is of view that it has a strong case and is therefore defending the matter. Depending on the outcome of the legal proceedings the City may incur a certain level of liability in respect of damages and/or legal costs.

Indications are that the City's insurance policy may respond to any adverse finding/order against the City. The litigation is ongoing.

## **21. Contingent Liabilities (Continued)**

### **21.3 Contaminated Sites**

Under the Contaminated Sites Act 2003, the City is required to report known and suspected contaminated sites to the Department of Water and Environmental Regulation (DWER). In accordance with the Act, DWER classifies these sites on the basis of the risk to human health, the environment and environmental values. Where sites are classified as 'contaminated – remediation required' or 'possibly contaminated – investigation required', the City may have a liability in respect of investigation or remediation expenses.

In 2019-20, DWER had classified three sites as 'contaminated – remediation required'. In April 2021, DWER reclassified those three sites to 'Remediated for restricted use', and approved an Ongoing Site Management Plan (OSMP).

DWER has classified eleven sites as 'possibly contaminated – investigation required'. Until the City conducts an investigation, it is not possible to estimate the potential financial effect or to identify the uncertainties relating to the amount or timing of any outflows.

**22. Capital Commitments**

	<b>2021 Actual \$</b>	<b>2020 Actual \$</b>
<b>Capital Expenditure Commitments</b>		
Contracted for:		
<u>Capital projects</u>		
- Busselton Tennis Club Building	0	30,499
- Lou Weston Oval Courts and Pavilion	0	316,858
- King Street Works	26,016	157,665
- Old Butter Factory	0	200,892
- Busselton Performing Arts and Convention Centre	864,844	1,989,183
- Busselton Senior Citizens Building	113,316	552,744
- Hotel Site 1 Carpark and Landscaping Works	0	1,046,116
- Barnard East Foreshore Works	0	61,398
- Eastern Link Road Works Upgrade	0	3,637,684
- Mitchell Park	570,824	0
- Dunsborough Lakes Sports Precinct	996,852	0
- Administration Building Car Park	32,928	0
- Busselton Foreshore (East)	141,698	0
- Buayanyup Drain Path	347,107	0
- Energy Efficiency Building Upgrade	74,400	0
	3,167,985	7,993,039
<u>Payable:</u>		
- not later than one year	3,167,985	7,993,039
- later than one year but not later than five years	0	0

The capital expenditure projects outstanding at the end of the current reporting period represent construction works associated with the above stated projects.

**23. Related Party Transactions**

	<b>2021 Actual \$</b>	<b>2021 Budget \$</b>	<b>2020 Actual \$</b>
<b>Elected Members Remuneration</b>			
The following fees, expenses and allowances were paid to council members and the mayor.			
<b><u>Mayor Grant Henley</u></b>			
Allowance	80,129	80,124	80,129
Sitting Fees	41,788	41,788	41,788
Communication Allowance	3,500	3,500	3,500
Other Allowances/ Reimbursements	226	500	177
	125,643	125,912	125,594
<b><u>Deputy Mayor Kelly Hick</u></b>			
Allowance	20,032	20,026	13,847
Sitting Fees	29,910	29,908	29,910
Travelling Allowance – Councillors Meetings	2,739	1,500	3,244
Communication Allowance	3,500	3,500	3,500
Other Allowances/ Reimbursements	0	500	67
	56,181	55,434	50,568
<b><u>Former Deputy Mayor John McCallum</u></b>			
Allowance	0	0	6,076
Sitting Fees	0	0	9,071
Travelling Allowance – Councillors Meetings	0	0	566
Communication Allowance	0	0	1,061
Other Allowances/ Reimbursements	0	0	0
	0	0	16,774
<b><u>Former Councillor Coralie Tarbotton</u></b>			
Sitting Fees	0	0	9,071
Travelling Allowance – Councillors Meetings	0	0	0
Communication Allowance	0	0	1,061
Other Allowances/ Reimbursements	0	0	0
	0	0	10,132
<b><u>Former Councillor Robert Reekie</u></b>			
Sitting Fees	0	0	9,071
Travelling Allowance – Councillors Meetings	0	0	136
Communication Allowance	0	0	1,061
Other Allowances/ Reimbursements	0	0	0
	0	0	10,268
<b><u>Councillor Paul Carter</u></b>			
Sitting Fees	29,910	29,908	29,910
Travelling Allowance – Councillors Meetings	0	1,500	0
Communication Allowance	3,500	3,500	3,500
Other Allowances/ Reimbursements	0	500	0
	33,410	35,408	33,410

**23. Related Party Transactions (Continued)**

<b>Elected Members Remuneration</b>	<b>2021 Actual \$</b>	<b>2021 Budget \$</b>	<b>2020 Actual \$</b>
<b><u>Councillor Kate Cox</u></b>			
Sitting Fees	29,910	29,908	20,675
Travelling Allowance – Councillors Meetings	1,787	1,500	1,238
Communication Allowance	3,500	3,500	2,419
Other Allowances/ Reimbursements	168	500	0
	<hr/> 35,365	<hr/> 35,408	<hr/> 24,332
<b><u>Councillor Phill Cronin</u></b>			
Sitting Fees	29,910	29,908	20,675
Travelling Allowance – Councillors Meetings	3,969	1,500	2,737
Communication Allowance	3,500	3,500	2,419
Other Allowances/ Reimbursements	217	500	675
	<hr/> 37,596	<hr/> 35,408	<hr/> 26,506
<b><u>Councillor Ross Paine</u></b>			
Sitting Fees	29,910	29,908	29,910
Travelling Allowance – Councillors Meetings	0	1,500	0
Communication Allowance	3,500	3,500	3,500
Other Allowances/ Reimbursements	236	500	208
	<hr/> 33,646	<hr/> 35,408	<hr/> 33,618
<b><u>Councillor Jo Barrett-Lennard</u></b>			
Sitting Fees	29,910	29,908	20,512
Travelling Allowance – Councillors Meetings	756	1,500	1,042
Communication Allowance	3,500	3,500	2,400
Other Allowances/ Reimbursements	227	500	526
	<hr/> 34,393	<hr/> 35,408	<hr/> 24,480
<b><u>Councillor Lyndon Miles</u></b>			
Sitting Fees	29,910	29,907	29,910
Travelling Allowance – Councillors Meetings	970	1,500	115
Communication Allowance	3,500	3,500	3,500
Other Allowances/ Reimbursements	382	500	0
	<hr/> 34,762	<hr/> 35,407	<hr/> 33,525
<b><u>Councillor Sue Riccelli</u></b>			
Sitting Fees	29,910	29,907	20,677
Travelling Allowance – Councillors Meetings	0	1,500	0
Communication Allowance	3,500	3,500	2,422
Other Allowances/ Reimbursements	213	500	0
	<hr/> 33,623	<hr/> 35,407	<hr/> 23,099
	<hr/> <hr/> 424,619	<hr/> <hr/> 429,200	<hr/> <hr/> 412,306
<b><u>TOTAL ELECTED MEMBERS REMUNERATION</u></b>			
Allowance	100,161	100,150	100,052
Sitting Fees	281,068	281,050	271,180
Travelling Allowance – Councillors Meetings	10,221	12,000	9,078
Communication Allowance	31,500	31,500	30,343
Other Allowances/ Reimbursements	1,669	4,500	1,653
	<hr/> <hr/> 424,619	<hr/> <hr/> 429,200	<hr/> <hr/> 412,306

**23. Related Party Transactions (Continued)**

**Key Management Personnel (KMP) Compensation Disclosure**

The total of remuneration paid to KMP of the City during the year are as follows:

	<b>2021</b>	<b>2020</b>
	<b>Actual</b>	<b>Actual</b>
	<b>\$</b>	<b>\$</b>
Short-term employee benefits	1,105,301	1,030,761
Post-employment benefits	142,726	128,434
Other long-term benefits	105,783	105,787
	<u>1,353,810</u>	<u>1,264,982</u>

**Short-term employee benefits**

These amounts include all salary and fringe benefits awarded to KMP except for details in respect to fees and benefits paid to elected members.

**Post-employment benefits**

These amounts are the current-year's estimated cost of providing for the City's superannuation contributions made during the year.

**Other long-term benefits**

These amounts represent annual leave and long service benefits accruing during the year.

**Related Parties**

*i Key management personnel*

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any elected member, are considered key management personnel.

*ii Other Related Parties*

An associate person of KMP was employed by the City under normal employment terms and conditions.

Any entity that is controlled by or over which KMP, or close family members of KMP, have authority and responsibility for planning, directing and controlling the activity of the entity, directly or indirectly, are considered related parties in relation to the City.

*iii Entities subject to significant influence by the City*

An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity which holds significant influence. Significant influence may be gained by share ownership, statute or agreement.

**23. Related Party Transactions (Continued)**

The Council has assessed the materiality of disclosure of transactions with related parties on the following criteria:

- 1) The potential effect of the relationship on the financial statements;
- 2) Whether the transaction occurred as:
  - a. Part of a public service provider relationship on terms no different to that of a transaction with the general public; or
  - b. Part of an ordinary operational transaction within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those that are reasonable to expect the Council would have adopted with the party at arm's length in the same circumstances.

The Council has determined that no material transactions with related parties have occurred during the financial year ended 30 June 2021.

**24. Major Land Transactions**

The City entered into a major land transaction by way of a sublease during the year. The City leased Lot 600, Foreshore Parade, Busselton from the State, and subleased to Pacifica Ausglobal Busselton Pty Ltd. A public notice was issued in November 2019 of the City's intent to enter into this major land transaction by way of a sublease. The financial impact of the head lease with the State has been included as part of Note 16 Lease Liabilities, and the financial impact of the sublease has been included in Note 38 Finance Lease Receivables.

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25. Rating Information – 2020/21 Financial Year  
(a) Rates

Rate Type	Rate in \$	Number of Properties #	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Total Revenue \$
<b>Differential General Rate</b>									
GRV-Residential	9.8489	14,093	259,870,424	25,594,568	333,873	25,928,441	25,594,568	0	25,594,568
GRV-Residential Holiday Homes	10.8339	680	13,421,200	1,454,036	(7,299)	1,446,737	1,454,036	0	1,454,036
GRV-Industrial	11.3732	446	21,880,356	2,488,494	47,829	2,536,323	2,488,494	0	2,488,494
GRV-Commercial	11.3732	1,366	70,667,953	8,037,200	6,157	8,043,357	8,037,200	0	8,037,200
GRV-Residential Vacant Land	9.8489	256	7,405,040	729,321	35,854	765,175	729,321	0	729,321
GRV-Industrial Vacant Land	11.3732	56	1,232,300	140,152	(12,937)	127,215	140,152	0	140,152
GRV-Commercial Vacant Land	11.3732	47	2,163,850	246,099	17,247	263,346	246,099	0	246,099
UV-Primary Production	0.4404	797	609,608,000	2,684,711	(53,414)	2,631,297	2,684,711	0	2,684,711
UV-Rural	0.4455	1,520	740,675,000	3,299,703	94,191	3,393,894	3,299,703	0	3,299,703
UV-Commercial	0.8037	154	91,897,000	738,576	18,075	756,651	738,576	0	738,576
Interim Rates		0	0	0	0	0	0	600,000	600,000
Sub-Totals		19,415	1,818,821,123	45,412,860	479,576	45,892,436	45,412,860	600,000	46,012,860
<b>Minimum Differential General Rate</b>	<b>Minimum \$</b>								
GRV-Residential	1.375	1,262	16,266,776	1,735,250	0	1,735,250	1,735,250	0	1,735,250
GRV-Residential Holiday Homes	1.430	28	349,700	40,040	0	40,040	40,040	0	40,040
GRV-Industrial	1.375	21	208,031	28,875	0	28,875	28,875	0	28,875
GRV-Commercial	1.375	631	4,705,844	867,625	0	867,625	867,625	0	867,625
GRV-Residential Vacant Land	1.375	925	6,471,244	1,271,875	0	1,271,875	1,271,875	0	1,271,875
GRV-Industrial Vacant Land	1.375	0	0	0	0	0	0	0	0
GRV-Commercial Vacant Land	1.375	63	393,190	86,625	0	86,625	86,625	0	86,625
UV-Primary Production	1.375	221	51,185,500	303,875	0	303,875	303,875	0	303,875
UV-Rural	1.500	1,087	251,454,500	1,630,500	0	1,630,500	1,630,500	0	1,630,500
UV-Commercial	1.375	81	3,654,034	111,375	0	111,375	111,375	0	111,375
Sub-Totals		4,319	334,688,819	6,076,040	0	6,076,040	6,076,040	0	6,076,040
Other Adjustments (refer note 25(d))						90,760			86,848
<b>Total Amount Raised from General Rates</b>						<b>52,059,236</b>			<b>52,175,748</b>
Specified Area Rate (refer note 25(b))						587,545			583,612
<b>Totals</b>						<b>52,646,781</b>			<b>52,759,360</b>



**25(b) Specified Area Rate - 2020/21 Financial Year**

	Rate in \$	Basis of Rate	Rateable Value \$	Rate Revenue \$	Budget Rate Revenue \$	Applied to Costs \$	Budget Applied to Costs \$
<b>Port Geographe</b>							
• Rate	1.5719	GRV	14,009,386	220,210	220,210	220,210	220,210
• Interim Rate				2,658	0	0	0
• Back Rate				0	0	0	0
				222,868	220,210	220,210	220,210

	Rate in \$	Basis of Rate	Rateable Value \$	Rate Revenue \$	Budget Rate Revenue \$	Applied to Costs \$	Budget Applied to Costs \$
<b>Provence</b>							
• Rate	1.4462	GRV	12,519,660	181,061	181,061	181,061	181,061
• Rate	0.0143	UV	5,300,000	758	758	758	758
• Interim Rate				794	0	0	0
• Back Rate				0	0	0	0
				182,613	181,819	181,819	181,819

	Rate in \$	Basis of Rate	Rateable Value \$	Rate Revenue \$	Budget Rate Revenue \$	Applied to Costs \$	Budget Applied to Costs \$
<b>Vasse</b>							
• Rate	1.8385	GRV	9,876,590	181,583	181,583	181,583	181,583
• Interim Rate				482	0	0	0
• Back Rate				0	0	0	0
				182,065	181,583	181,583	181,583

The purpose of the Specified Area Rates is disclosed in note 4 "Purpose of Reserves".

**25(c) Service Charges – 2020/21 Financial Year**

	Amount of Charge \$	Revenue Raised \$	Budget Revenue \$	Applied to Service Costs \$	Budget Applied to Costs \$
Nil	0	0	0	0	0
		0	0	0	0

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**25(d) Discounts, Incentives, Concessions & Write-offs – 2020/21 Financial Year**

	Type	Discount %	Total Cost / Value \$	Budget Cost / Value \$
Other	Adjustment	0	90,760	86,848
Write-offs	Write-off	0	0	0
		0	90,760	86,848

**25(e). Interest Charges and Instalments – 2020/21 Financial Year**

Instalment options	Date due	Instalment plan admin charge \$	Instalment plan interest rates %	Unpaid rates interest rates %
<b><u>OPTION ONE</u></b>				
Single full payment	04/09/2020	0	0.0%	8.0%
<b><u>OPTION TWO</u></b>				
(Four equal or near equal bi-monthly instalments)				
First instalment	04/09/2020	0	0.0%	8.0%
Second instalment	04/11/2020	6	5.5%	8.0%
Third instalment	04/01/2021	6	5.5%	8.0%
Fourth instalment	04/03/2021	6	5.5%	8.0%
<b><u>OPTION THREE</u></b>				
40 equal or near equal weekly instalments	04/09/2020	30	5.5%	8.0%
<b><u>OPTION FOUR</u></b>				
20 equal or near equal fortnightly instalments	04/09/2020	25	5.5%	8.0%
<b><u>OPTION FIVE</u></b>				
10 equal or near equal monthly instalments	04/09/2020	20	5.5%	8.0%

	Actual Revenue 2021 \$	Budgeted Revenue 2021 \$
Interest on Unpaid Rates	217,126	140,000
Interest on Instalments Plan	253,537	253,750
Charges on Instalment Plan	122,007	116,950
	592,670	510,700

**25(e) Interest Charges and Instalments – 2020/21 Financial Year (Continued)**

Five separate payment option plans will be made available to all ratepayers for the payment of their rates.

**OPTION 1 (Full Payment)**

Full amount of rates and charges including arrears to be paid on or before 4<sup>th</sup> September 2020 or 35 days after the date of service appearing on the rate notice whichever is the later.

**OPTION 2 (4 Instalments)**

First instalment to be received on or before 4<sup>th</sup> September 2020 or 35 days after the date of service appearing on the rate notice whichever is the later and including all arrears and service charges and one quarter of the current rates. The second, third and fourth instalments of the current rates are to be made on or before dates shown below:

- 1<sup>st</sup> Instalment            4<sup>th</sup> September 2020
- 2<sup>nd</sup> Instalment            4<sup>th</sup> November 2020
- 3<sup>rd</sup> Instalment            4<sup>th</sup> January 2021
- 4<sup>th</sup> Instalment            4<sup>th</sup> March 2021

**OPTION THREE**

40 equal or near equal weekly instalments

**OPTION FOUR**

20 equal or near equal fortnightly instalments

**OPTION FIVE**

10 equal or near equal monthly instalments

**SIGNIFICANT ACCOUNTING POLICIES**

**Rates**

Control over assets acquired from rates is obtained at the commencement of the rating period.

Prepaid rates are, until the taxable event has occurred (start of the next financial year), refundable at the request of the ratepayer.

Rates received in advance are initially recognised as a financial liability. When the taxable event occurs, the financial liability is extinguished and the City recognises revenue for the prepaid rates that have not been refunded.

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26 Rate Setting Statement Information

	Note	2020/21 Actual (30 June 21 Carried Forward) \$	2020/21 Budget (30 June 21 Carried Forward) \$	2020/21 Actual (1 July 20 Brought Forward) \$	2019/20 Actual (30 June 20 Carried Forward) \$
<b>(a) Non-cash amounts excluded from operating activities</b>					
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with Financial Management Regulation 32.					
<b>Adjustments to operating activities</b>					
Less: Profit on asset disposals	11(a)	(148,677)	(19,193)	(74,304)	(74,304)
Less: Non-cash grants and contributions for assets	2	(9,424,331)	(6,597,200)	(4,482,078)	(4,482,078)
Less: Movement in liabilities associated with restricted cash		1,978,405	(4,909,897)	(3,408,085)	(3,408,085)
Less: Movement in finance leases		(2,852,822)	-	(3,929,520)	(3,929,520)
Less: Fair value adjustments to financial assets at fair value through profit and loss	5(b)	-	-	(124,637)	(124,637)
Less: Movement in pensioner deferred rates (non-current)		11,499	-	(21,707)	(21,707)
Less: Movement in employee benefit provisions (non-current)	18(a)	314,957	-	661,186	661,186
Add: Loss on disposal of assets	11(a)	521,958	90,673	537,558	537,558
Add: Depreciation on non-current assets	11(b)	24,607,001	24,050,074	22,857,747	22,857,747
<b>Non cash amounts excluded from operating activities</b>		<b>15,007,990</b>	<b>12,614,457</b>	<b>12,016,160</b>	<b>12,016,160</b>
<b>(b) Surplus/(deficit) after imposition of general rates</b>					
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with Financial Management Regulation 32 to agree to the surplus/(deficit) after imposition of general rates.					
<b>Adjustments to net current assets</b>					
Less: Reserves/ Restricted - cash backed	3	(73,693,717)	(52,142,398)	(68,906,185)	(68,906,185)
Less: Financial assets at amortised cost - self-supporting loans	5(a)	(59,374)	(65,000)	(66,867)	(66,867)
Less: Other Adjustments	8	(197,380)	(212,924)	(212,922)	(212,922)
- Current portion of lease receivables	38	(217,910)	-	(177,085)	(177,085)
Less : Assets held for sale	8	(2,035,508)	0	0	0
Add: Current liabilities not expected to be cleared at end of year					
- Current portion of borrowings	17(d)	3,020,442	3,000,000	3,043,263	3,043,263
- Current portion of contract liability held in reserve/ restricted cash	15.1	2,521,219	-	2,611,824	2,611,824
- Current portion of grant liability held in reserve/ restricted cash	15.2	988,563	-	2,298,073	2,298,073
- Current portion of deposits and bonds held in restricted cash	14	3,424,482	2,465,476	2,465,476	2,465,476
- Current portion of lease liabilities	16	492,042	-	500,767	500,767
- Current portion of employee benefit provisions	18(a)	5,502,681	5,237,537	5,237,537	5,237,537
- Current portion of other provisions	18(b)	430,000	-	-	-
<b>Total adjustments to net current assets</b>		<b>(59,824,460)</b>	<b>(41,717,309)</b>	<b>(53,206,119)</b>	<b>(53,206,119)</b>
<b>Net current assets used in the Rate Setting Statement</b>					
Total current assets		86,349,046	57,067,449	75,355,013	75,355,013
Less: Total current liabilities		(24,076,206)	(15,350,140)	(21,675,100)	(21,675,100)
Less: Total adjustments to net current assets		(59,824,460)	(41,717,309)	(53,206,119)	(53,206,119)
<b>Net current assets used in the Rate Setting Statement</b>		<b>2,448,380</b>	<b>0</b>	<b>473,794</b>	<b>473,794</b>

## 27. Financial Risk Management

This note explains the City's exposure to financial risks and how these risks could affect the City's future financial performance.

Risk	Exposure arising from	Measurement	Management
Market risk - interest rate	Long term borrowings at variable rates	Sensitivity analysis	Utilise fixed interest rate borrowings
Credit risk	Cash and cash equivalents, trade receivables, financial assets and debt investments	Aging analysis Credit analysis	Diversification of bank deposits, credit limits. Investment policy
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

The City does not engage in transactions expressed in foreign currencies and is therefore not subject to foreign currency risk.

Financial risk management is carried out by the finance area under policies approved by the Council. The finance area identifies, evaluates and manages financial risks in close co-operation with the operating divisions. The Council have approved the overall risk management policy and provide policies on specific areas such as investment policy.

### (a) Interest Rate Risk

#### Cash and Cash Equivalents

The City's main interest rate risk arises from cash and cash equivalents with variable interest rates, which exposes the City to cash flow interest rate risk. Short term overdraft facilities also have variable interest rates however these are repaid within 12 months, reducing the risk level to minimal.

Excess cash and cash equivalents are invested in fixed interest rate term deposits which do not expose the City to cash flow interest rate risk. Cash and cash equivalents required for working capital are held in variable interest rate accounts and non-interest bearing accounts. Carrying amounts of cash and cash equivalents at the 30 June and the weighted average interest rate across all cash and cash equivalents and term deposits held are reflected in the table below.

	Weighted Average Interest Rate	Carrying Amount	Fixed Interest Rate	Variable Interest Rate	Non-Interest Bearing
	%	\$	\$	\$	\$
<b>2021</b>					
Cash and Cash Equivalents	0.07%	17,108,235	3,276,102	13,810,228	21,845
Financial Assets at Amortised Cost – Term Deposits	0.32%	62,000,000	62,000,000	0	0
<b>2020</b>					
Cash and Cash Equivalents	0.46%	20,001,304	4,783,359	15,195,875	22,070
Financial Assets at Amortised Cost – Term Deposits	1.00%	50,500,000	50,500,000	0	0

**27. Financial Risk Management (Continued)**

**(a) Interest Rate Risk (Continued)**

**Cash and Cash Equivalents (Continued)**

**Sensitivity**

Profit or loss is sensitive to higher/lower interest income from cash and cash equivalents as a result of changes in interest rates.

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Impact of a 1% movement in interest rates on profit and loss and equity*	138,103	151,959

\* Holding all other variables constant

**Borrowings**

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The City manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The City does not consider there to be any interest rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found at Note 17.

**27. Financial Risk Management (Continued)**

**(b) Credit Risk**

**Trade and Other Receivables**

The City's major receivables comprise rates annual charges and user fees and charges. The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid. The City manages this risk by monitoring outstanding debt and employing debt recovery policies. It also encourages ratepayers to pay rates by the due date through incentives.

Credit risk on rates and annual charges is minimised by the ability of the City to recover these debts as a secured charge over the land, that is, the land can be sold to recover the debt. Whilst the City was historically able to charge interest on overdue rates and annual charges at higher than market rates, which further encourage payment.

The level of outstanding receivables is reported to the Council monthly and benchmarks are set and monitored for acceptable collection performance.

The City applies the AASB 9 simplified approach to measuring expected credit losses using a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, rates receivable are separated from other trade receivables due to the difference in payment terms and security for rates receivable. At the end of the reporting period, the City assessed that no loss allowance is required to be provided.

The profile of the City's credit risk at balance date was:

	<b>30 June 2021</b>	<b>30 June 2020</b>
	\$	\$
<b>Percentage of Rates and Annual Charges</b>		
• Current	22.13%	20.93%
• Overdue	77.87%	79.07%
<b>Percentage of Other Receivables</b>		
• Current	93.82%	95.68%
• Overdue	6.18%	4.32%

**27. Financial Risk Management (Continued)**

**(c) Liquidity Risk**

**Payables and Borrowings**

Payables and borrowings are both subject to liquidity risk – that is, the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The City manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required and as disclosed in Note 17.

The contractual undiscounted cash flows of the City's Payables are set out in the liquidity table below. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying Values \$
<b>2021</b>					
Payables	7,696,777	0	0	7,696,777	7,696,777
Borrowings	4,059,936	15,699,497	14,550,390	34,309,823	28,267,696
Lease Liability	517,659	378,921	0	896,580	931,503
Contract Liabilities	2,521,219	2,890,444	4,997,910	10,409,573	10,409,573
Grant Liabilities	988,563	4,276,558	0	5,265,121	5,265,121
	<b>15,784,154</b>	<b>23,245,420</b>	<b>19,548,300</b>	<b>58,577,874</b>	<b>52,570,670</b>
<b>2020</b>					
Payables	5,518,158	0	0	5,518,158	5,518,158
Borrowings	4,189,405	15,534,117	18,657,206	38,380,728	31,200,958
Lease Liabilities	548,263	896,580	0	1,444,843	1,401,617
Contract Liabilities	2,611,824	1,855,063	5,711,657	10,178,544	10,178,544
Grant Liabilities	2,298,073	2,250,217	0	4,548,290	4,548,290
	<b>15,165,723</b>	<b>20,535,977</b>	<b>24,368,863</b>	<b>60,070,563</b>	<b>52,847,567</b>



**28. Events occurring after the end of the Reporting Period**

There were no events subsequent to the reporting date that materially impact on this financial report.

**29. Initial Application of Australian Accounting Standards**

During the current year, the City adopted all of the new and revised Australian Accounting Standards and Interpretations which were compiled, became mandatory and which were applicable to its operations.

**(a) AASB 1059: Service Concession Arrangements: Grantors**

Service concessions assets are those assets where a third party operator constructs assets for the City, upgrades existing assets of the City or uses existing assets of the City to operate and maintain the assets to provide a public service, for a specified period of time.

The City has considered the requirements of AASB 1059 - Service Concession Arrangements, and confirms that the City has no existing arrangements that fall within the scope of this standard.

**30. Trust Funds**

Funds held at balance date which are required to be held in trust and which are not included in the financial statements are as follows:

	<b>Balance 1 July 2020 \$</b>	<b>Amounts Received \$</b>	<b>Amounts Paid \$</b>	<b>Balance 30 June 2021 \$</b>
Builders Registration Board Levies	12,669	487,867	(467,915)	32,621
Building Training Levy	3,444	47,428	(46,908)	3,964
Cash in Lieu of Public Open Space	1,973,394	11,476	(1,065,050)	919,820
Contiguous Local Authorities Group (CLAG) Funding	86,561	24,136	(89,474)	21,223
	<b>2,076,068</b>	<b>570,907</b>	<b>(1,669,347)</b>	<b>977,628</b>

### 31. OTHER SIGNIFICANT ACCOUNTING POLICIES

#### a) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows.

#### b) Current and non-current classification

The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the City's operational cycle. In the case of liabilities where the City does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months.

#### c) Rounding off figures

All figures shown in this annual financial report, other than a rate in the dollar, are rounded to the nearest dollar. Amounts are presented in Australian Dollars.

#### d) Comparative figures

Where required, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

When the City applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements that has a material effect on the statement of financial position, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

#### e) Budget comparative figures

Unless otherwise stated, the budget comparative figures shown in this annual financial report relate to the original budget estimate for the relevant item of disclosure.

#### f) Superannuation

The City contributes to a number of Superannuation Funds on behalf of employees. All funds to which the City contributes are defined contribution plans.

#### g) Fair value of assets and liabilities

Fair value is the price that the City would receive to sell the asset or would have to pay to transfer a liability, in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

#### h) Fair value hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurement into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

##### Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

### **31. OTHER SIGNIFICANT ACCOUNTING POLICIES (cont.)**

#### **h) Fair value hierarchy (continued)**

##### **Level 2**

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

##### **Level 3**

Measurements based on unobservable inputs for the asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

##### **Valuation techniques**

The City selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the City are consistent with one or more of the following valuation approaches:

##### **Market approach**

Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

##### **Income approach**

Valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

##### **Cost approach**

Valuation techniques that reflect the current replacement cost of the service capacity of an asset.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the City gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are

##### **Valuation techniques (continued)**

considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

##### **i) Impairment of assets**

In accordance with Australian Accounting Standards the City's non-financial assets, are assessed at each reporting date to determine whether there is any indication they may be impaired.

Where such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount.

Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. AASB 116) whereby any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

As the City is a not-for-profit entity, the recoverable amount of regularly revalued specialist assets is anticipated to be materially the same as fair value.

**32. Activities/ Programs**

City operations as disclosed in these financial statements encompass the following service orientated activities/ Programs

**Program and Objectives**

**Activities**

**General Purpose Funding**

To collect revenue to allow for the provision of services.

Rates, interest revenue and other general purpose Government grants together with any expenses incurred in realising these incomes.

**Governance**

To provide decision making process for the efficient allocation of scarce resources.

Includes the activities of members of Council and the administrative support available to the Council for the provision of governance to the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific Council services.

**Law, Order and Public Safety**

To provide services to help ensure a safer and environmentally conscious community.

Supervision and enforcement of various by-laws, fire prevention, animal control and emergency services. Council also provides assistance to surf lifesaving efforts.

**Health**

To provide an operational framework for environmental and community health.

Inspections of food outlets and their control, noise control, waste disposal compliance, mosquitoes and stingers control.

**Education and Welfare**

To provide services for the elderly, children and youth.

Annual donation relative to the operation of a Senior Citizen's Centre.

**Housing**

To provide and maintain elderly residents housing.

The operation of three sets of aged persons homes.

**Community Amenities**

To provide services required by the community.

Includes rubbish collection and disposal services, recycling initiatives, septic tank inspection services, urban stormwater drainage networks, environmental protection initiatives, operation of three cemeteries, town scaping facilities, as well as the administration of Council's Town Planning Scheme and associated policies and obligations.

**Recreation and Culture**

To establish and effectively manage infrastructure and resources which will help the social well-being of the community.

Maintenance of halls, swimming areas and beaches, various reserves, recreation programs, the Busselton Jetty, the operation of the two Libraries, the maintenance and operation of the two Leisure Centres, and the employment of a Cultural Development Officer.

**32. Activities/ Programs (Continued)**

**Program and Objectives (Continued)**

**Activities (Continued)**

**Transport**

To provide safe, effective and efficient transport services to the community.

Construction and maintenance of roads, bridges, drainage, footpaths, cycle ways, parking facilities, traffic signs and depot. Also includes cleaning of streets, maintenance of street trees, street lighting etc. Control and maintenance of a regional airport.

**Economic Services**

To help promote the City and its economic wellbeing.

The regulation and provision of tourism initiatives, the maintenance and operation of a Caravan park and the implementation of building controls. Provision of rural services including weed control, vermin control and standpipes.

**Other Property and Services**

To monitor and control Council's overheads operating accounts.

Private works operation, plant repair and operation costs and engineering operation costs.

### 33. Prior Period Corrections

1. The City does not hold full ownership of the aged homes (both land and buildings) as per the signed agreements with Homeswest (i.e. City's share: Winderlup Villas 26.11%, Harris Road Units 27.19% and land 27.19%). Corrections have been made to the affected financial statement line items as at 1 July 2019 to exclude Homeswest's share of the assets. Adjustment were also made in 2019-20 to reflect only the City's share of depreciation expense in the financial statements.
2. The adjustment relates to the impairment of the bridge - Tuart Drive over Abba River which was burnt down in March 2020. As the bridge is a revalued asset, the impairment loss is recognised as at 30 June 2020 against revaluation surplus.
3. Term deposits with original maturities of three months or more have been reclassified from Cash and Cash Equivalents to Other Financial Assets.
4. Adjustments relate to the classification of subleases with the Goose, Equinox and Geographe Bay Brewing Co. as finance leases on initial application of AASB 16 Leases. Corrections have been made to the affected financial statement line items.

	Ref	As reported previously \$	Adjustment \$	Restated \$
<b><u>Statement by Comprehensive Income</u></b>				
<b>As at 30 June 2020</b>				
<b>-by Nature or Type</b>				
<i>Revenue:</i>				
Fees and Charges	4	15,074,219	(139,248)	14,934,971
Interest Earnings	4	1,584,122	165,572	1,749,694
Gain on Finance Sublease	4	0	3,902,773	3,902,773
<i>Expenses:</i>				
Depreciation on Non-Current Assets	1,4	(23,496,226)	638,479	(22,857,747)
Materials and Contracts	4	(16,858,209)	2,000	(16,856,209)
Interest Expenses	4	(1,329,246)	(1,577)	(1,330,823)
<i>Other comprehensive income:</i>				
Impairment loss on Non-Current Assets	2	0	(1,478,109)	(1,478,109)
<b>-by Program</b>				
<i>Revenue:</i>				
Other Property & Services	4	498,219	3,929,096	4,427,317
<i>Expenses:</i>				
Housing	1	(1,305,071)	611,354	(693,717)
Other Property & Services	4	(777,381)	29,125	(748,257)
<i>Finance Costs:</i>				
Other Property & Services	4	(30,685)	(1,577)	(32,262)
<i>Other comprehensive income:</i>				
Impairment loss on Non-Current Assets	2	0	(1,478,109)	(1,478,109)

### 33. Prior Period Corrections (Continued)

	Ref	As reported previously \$	Adjustment \$	Restated \$
<b><u>Statement of Financial Position</u></b>				
<b>As at 1 July 2019</b>				
<b>Current Assets</b>				
Cash and Cash Equivalents	3	59,772,318	(38,000,000)	21,772,318
Other Financial Assets	3	10,569,803	38,000,000	48,569,803
<b>Non-current Assets</b>				
Property, Plant and Equipment	1	144,333,683	(9,185,165)	135,148,518
<b>Equity</b>				
Retained Surplus	1	444,713,504	1,207,329	445,920,833
Revaluation Surplus	1	236,196,300	(10,392,494)	225,803,806
<b>As at 30 June 2020</b>				
<b>Current Assets</b>				
Cash and Cash Equivalents	3	60,501,304	(40,500,000)	20,001,304
Other Financial Assets	3	10,066,867	40,500,000	50,566,867
Finance Lease Receivables	4	0	177,085	177,085
<b>Non-current Assets</b>				
Property, Plant and Equipment	1	147,020,831	(9,604,561)	137,416,270
Infrastructure	1	569,886,680	(1,478,109)	568,408,571
<b>Current Liabilities</b>				
Lease Liabilities	4	498,834	1,934	500,767
<b>Non-current Liabilities</b>				
Lease Liabilities	4	854,825	46,024	900,849
<b>Equity</b>				
Retained Surplus	1,4	436,973,786	5,775,328	442,749,115
Revaluation Surplus	1,2	236,196,300	(11,870,603)	224,325,697

FINANCIAL REPORT  
for the year ended 30 June 2021

Notes to and forming part of the Financial Report

**34. Financial Ratios**

	<b>2021 Actual</b>	<b>2020 Actual</b>	<b>2019 Actual</b>
Current Ratio	0.946	0.569	0.714
Asset Sustainability Ratio	1.022	0.959	0.801
Debt Service Cover Ratio	5.824	4.766	4.715
Operating Surplus Ratio	0.030	0.012	(0.021)
Own Source Revenue Coverage Ratio	0.965	0.953	0.927
Asset Consumption Ratio	0.637	0.689	0.683
Asset Renewal Funding Ratio	1.000	0.994	0.520

The above ratios are calculated as follows:

Current Ratio <i>(ratio required to meet standard &gt; or = to 1)</i>	$\frac{\text{Current assets minus restricted assets}}{\text{Current liabilities minus liabilities associated with restricted assets}}$
Asset Sustainability Ratio <i>(ratio required to achieve basic standard &gt; 0.9)</i>	$\frac{\text{Capital renewal and replacement expenditure}}{\text{Depreciation expense}}$
Debt Service Cover Ratio <i>(ratio required to achieve basic standard &gt; or = to 2, and advanced standard &gt; 5)</i>	$\frac{\text{Annual operating surplus before interest and depreciation}}{\text{Principal and interest}}$
Operating Surplus Ratio <i>(ratio required to achieve basic standard is between 0.01 &amp; 0.15, advanced standard &gt; 0.15)</i>	$\frac{\text{Operating revenue minus operating expense}}{\text{Own source operating revenue}}$
Own Source Revenue Coverage Ratio <i>(ratio required to achieve basic standard is between 0.4 &amp; 0.6, Intermediate standard between 0.6 &amp; 0.9, and advanced standard &gt; 0.9)</i>	$\frac{\text{Own source operating revenue}}{\text{Operating expense}}$
Asset Consumption Ratio <i>(ratio required to meet basic standard &gt; 0.5)</i>	$\frac{\text{Depreciated replacement cost of depreciable assets}}{\text{Current replacement cost of depreciable assets}}$
Asset Renewal Funding Ratio <i>(ratio required to achieve basic standard is between 0.75 &amp; 0.95)</i>	$\frac{\text{NPV of planned capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$



**35. Trading Undertakings and Major Trading Undertakings**

Council did not participate in any trading undertakings or major trading undertakings during the 2020/21 financial year.

**36. Joint Arrangements**

The City of Busselton has not been involved in any joint arrangements during the reporting period.

**37. Employee Numbers**

The number of full-time equivalent employees at balance date

2021	2020
321	318

**38. Finance Lease Receivables**

	2021 Actual \$	2020 Actual \$
Current	217,910	177,085
Non-current	7,698,983	4,858,268
	7,916,893	5,035,353

**SIGNIFICANT ACCOUNTING POLICIES**

**Finance lease receivables**

The City is an intermediate lessor and the finance lease receivables relate to properties that the City has subleased to third parties. The City has classified these subleases as finance lease as the subleases are for the whole of the remaining term of the head leases.

Amounts due from the finance leases are recorded as receivables. Finance lease receivables are initially recorded at amounts equal to the present value of the minimum lease payments receivable plus the present value of any unguaranteed residual value expected to accrue at the end of the lease term. Finance lease receipts are apportioned between periodic interest revenue and reduction of the lease receivable over the term of the lease in order to reflect a constant periodic rate of return on the net investment outstanding in the leases.





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T (08) 9781 0444  
E [city@busselton.wa.gov.au](mailto:city@busselton.wa.gov.au)

2 Southern Drive Busselton  
Western Australia

Locked Bag 1 Busselton WA 6280  
[www.busselton.wa.gov.au](http://www.busselton.wa.gov.au)